AFMC Enterprise
Landing Gear Commodity Council

Commodity Acquisition Management Plan (CAMP)
Briefing
23 Feb 2004

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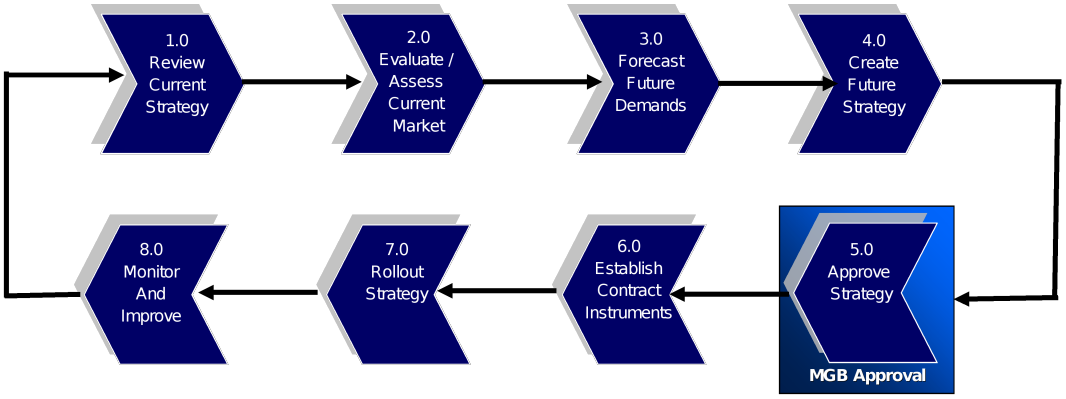
Adtl Briefer: Maj Kurt Kolch

Landing Gear Overall Commodity Profile

- Commodity Description
- Commodity Current State Summary
- Market Assessment Summary
- Demand Forecast Summary
- Commodity Goals
- Spiral Strategy Overview



Overall Commodity Description

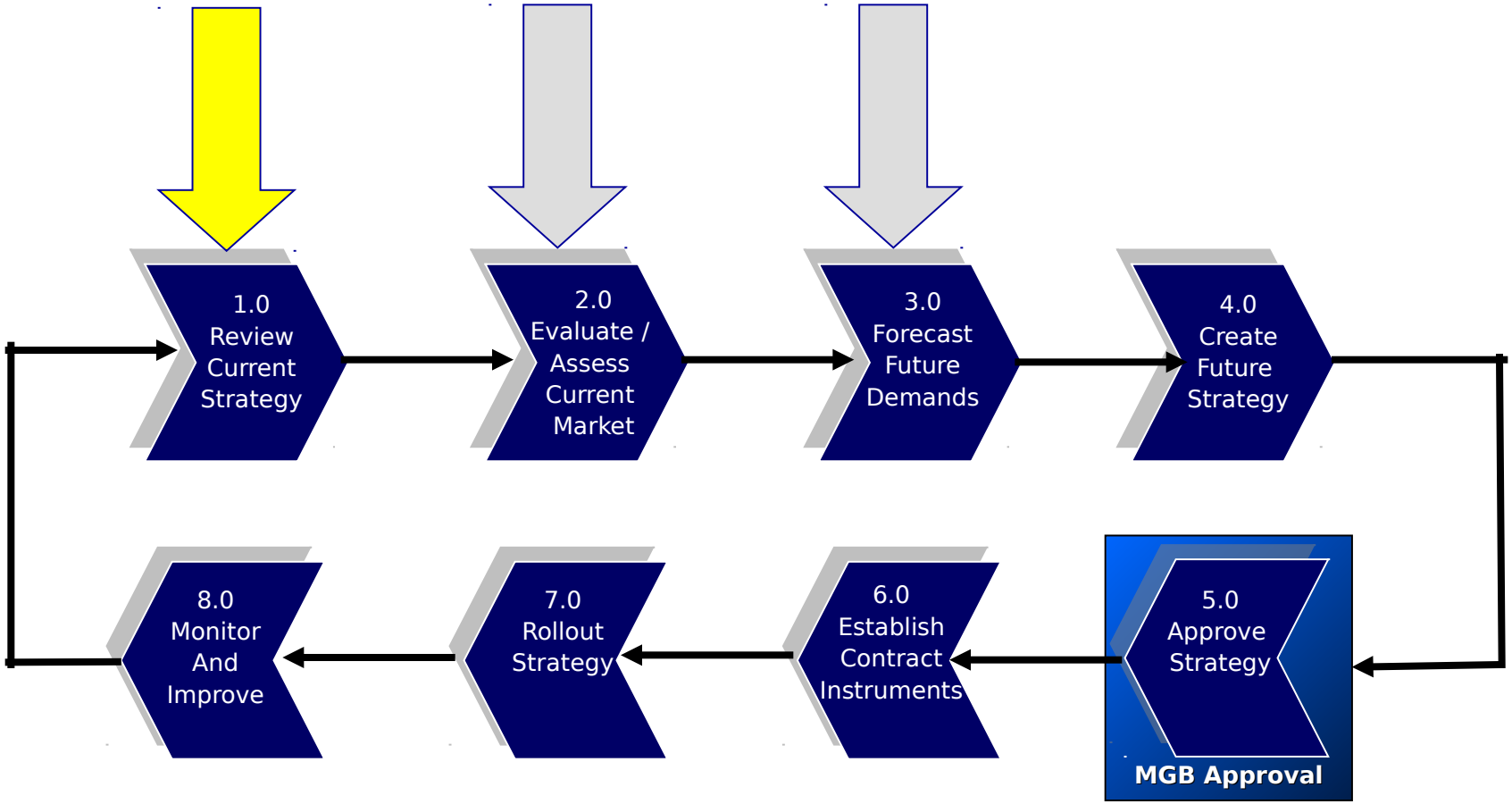
- Commodity Group Landing Gear includes Federal Stock Class 1620 which consists of aircraft landing gear components and Federal Stock Class 1630 which consists of aircraft wheels and brakes.
- Major components include struts, steering systems, antiskid, wheels, and brakes.
- Includes FSC 2620, tires, already strategically sourced, commodity focused.

Overall Commodity Description

- Source Qualification to ensure capability
  - Demonstrated prior to contract award
    - By similarity or actual manufacture
    - Must meet critical characteristics
  - Failure to procure from a fully qualified source
    - Degrade the mission capability
    - Possible loss of life or aircraft

- Landing Gear is 'FLIGHT CRITICAL'
  - Landing Gear is NOT damage tolerant
  - Landing Gear is NOT redundant

Overall Commodity Profile Step 1: Review Current Strategy



Overall Commodity Profile
Step 1: Review Current Strategy Summary

Spend Analysis

- There are 2206 NSNs in the FSC 1620 and 1630 commodity and 123 companies
- The total spend was $692.5M; $400.6M in buys and $291.8M in repair
- Almost everything purchased on tactical contracts (FY 00 – 02)
- Over 860 contracts and 1100 contract actions
- 40% of our spend is for organic repair

Current Initiatives

- Almost 10% of active NSNs are now under long-term contracts (late FY 02)
- Five strategic contracts in place plus one awaiting award

Customer Needs

- Faster response and order fulfillment; they want the item when ordered
- Parts that don't fail

Current Performance Metric Trends

- Acquisition lead time is over 500 days per NSN
- 396 NSNs had MICAP incidents in FY 03

Overall Commodity Profile
Step 1.1 - SPEND ANALYSIS

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

Spend analysis covers FY 00 - 02

FSC	Total	Buys	Cont. Repair	Org. Repair
1620	$346.2M	$167.4M	$41.8M	$136.9M
1630	$346.3M	$233.2M	$ 0.9M	$112.2M

- Significant unit price variances
- 123 Companies in spend
  - 13 Companies for both FSCs
  - 3 Companies have more than 1 CAGE

Overall Commodity Profile
Step 1.1 - SPEND ANALYSIS

Spend Analysis

Current Initiatives

Customer Needs

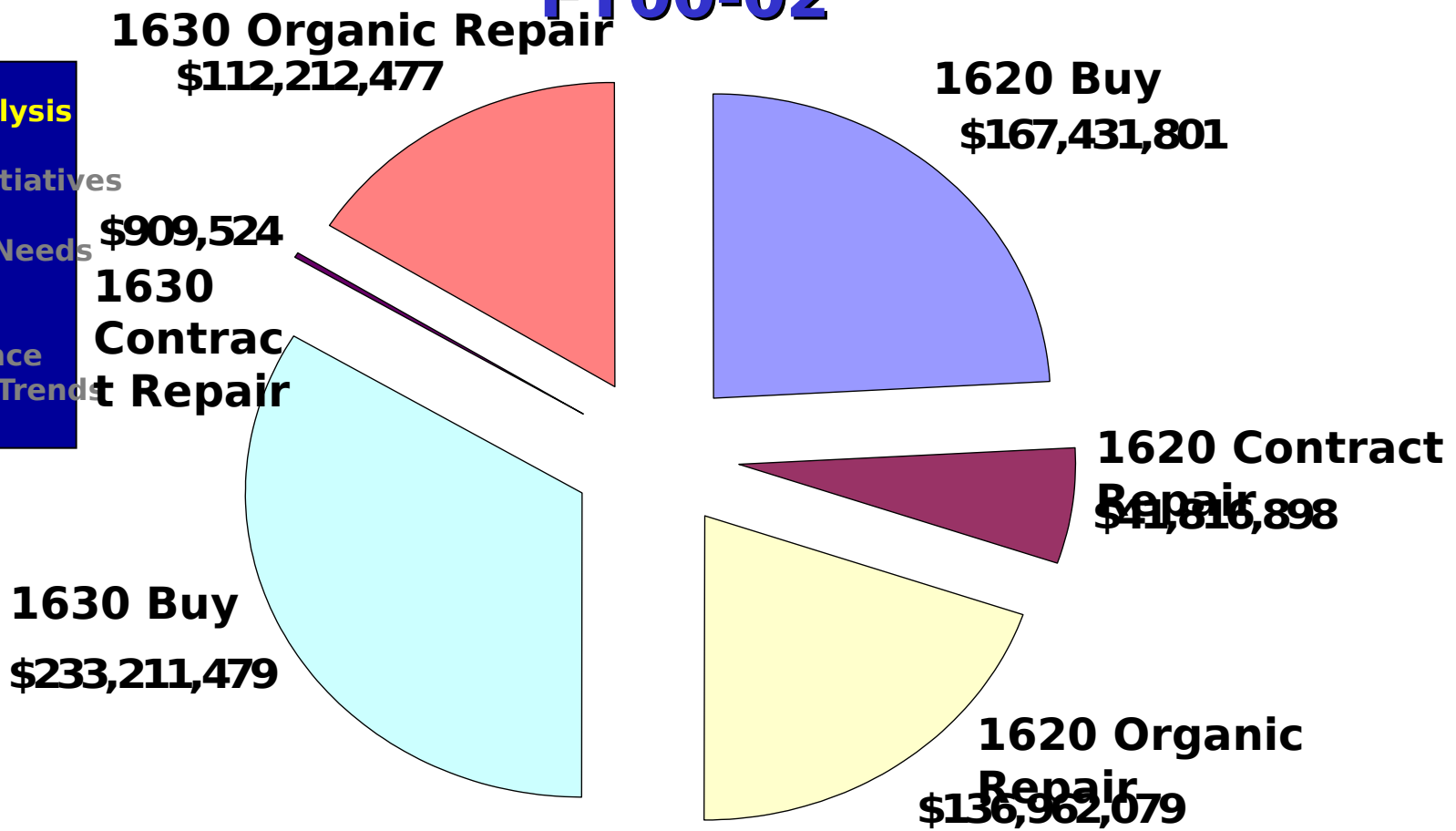
Current Performance Metrics / Trends

- Total NSNs managed is 2206
- Total NSNs bought and/or repaired is 969

FSC	Buy	Repair
1620	350	469
1630	177	163

Overall Commodity Profile
Step 1.1 - SPEND BY DOLLARS FY00-02

- Spend Analysis
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends



Total Commodity Repair & New Buy Dollars = $692,544,258

Overall Commodity Profile
Step 1.1 - TOP SUPPLIERS

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

Cage Code	Landing Gear Supplier	NSNs	Contracts	Contract Actions	Buy	Contract Repair
	TOTALS		**864**	**1123**	**$400,643,279**	**$42,726,422**
97153	GOODRICH CORPORATION	57	9	117	$144,045,888	$0
98247	CANADIAN COMMERCIAL CORP	126	83	83	$52,042,992	$41,755,838
0B9R9	AIRCRAFT/BRAKING SYSTEMS CORP	37	7	77	$32,442,123	$0
55284	HONEYWELL INTERNATIONAL INC.	25	51	51	$28,637,203	$0
24398	EAGLE TOOL & MACHINE COMPANY	15	20	20	$22,619,870	$0
13002	GOODRICH CORP	47	117	117	$19,132,585	$0
32168	ALL TOOLS	29	44	44	$15,242,288	$0
31788	YEAGER MANUFACTURING CORP	54	74	75	$9,750,434	$0
21849	NASCO AIRCRAFT BRAKE INC.	11	24	25	$8,269,465	$0
088K1	BEAVER AEROSPACE & DEFENSE INC	3	7	7	$8,075,228	$0
81205	THE BOEING CO	22	10	56	$7,576,090	$0
00268	CEF INDUSTRIES INC	1	5	5	$7,400,709	$0
6D161	HYDRO-MILL COMPANY	7	7	7	$5,411,150	$0

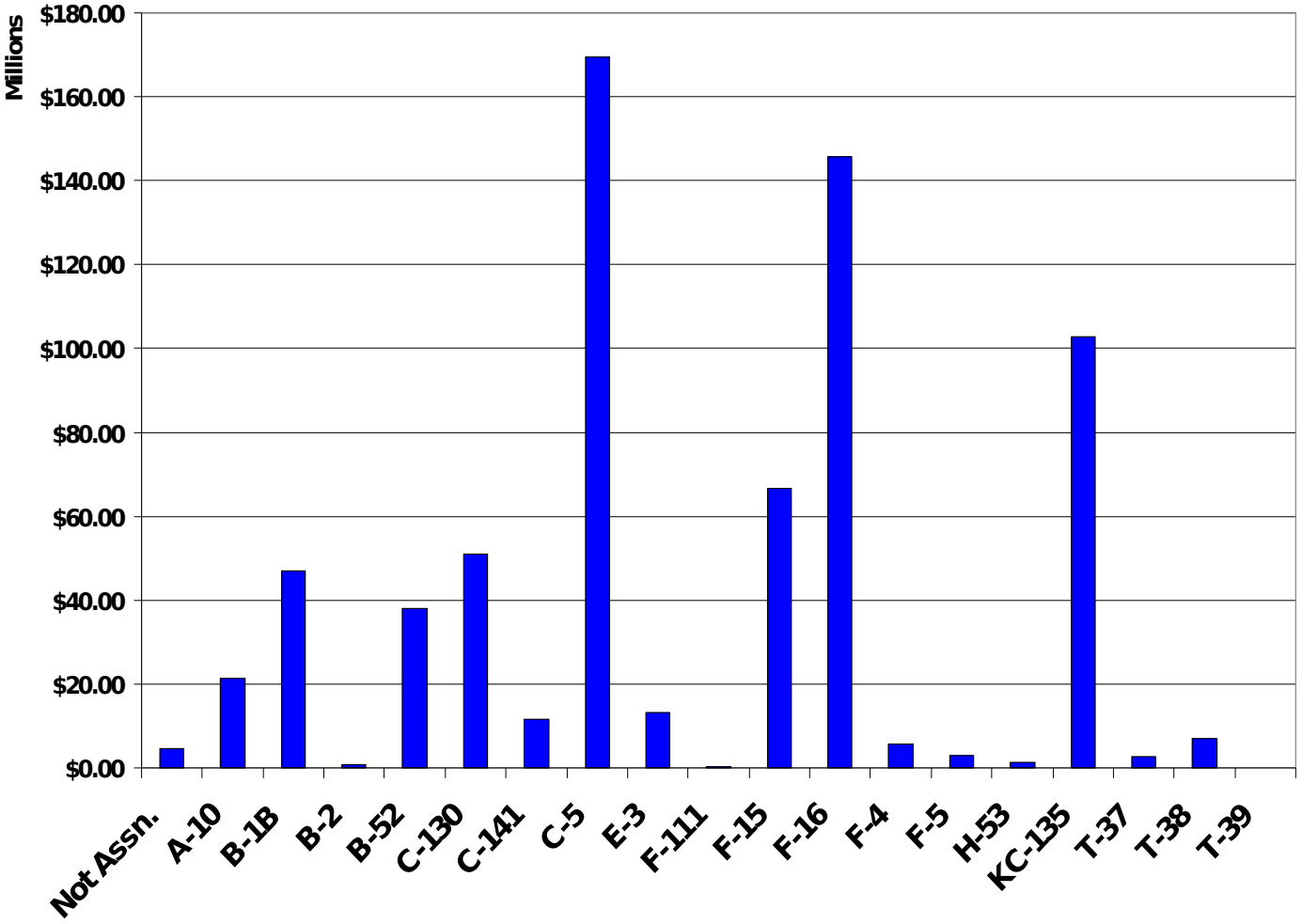
90% of new buys were concentrated with these 13 suppliers

10% of new buys were scattered across 114 suppliers

77% of contracts have only one contract action

Overall Commodity Profile
Step 1.1 - SPEND BY WEAPON SYSTEM FY00-02

- **Spend Analysis**
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends



Overall Commodity Profile
Step 1.2 - CURRENT INITIATIVES

Spend Analysis

Current Initiativ

Customer Needs

Current Performance Metrics / Trends

Supplier	Purpose	AF 1620 NSNs	AF 1630 NSNs	DLA/ Other 1620-30 & FSCs	Amount	Award	Length	Type
ABS	Buy Wheels, Brakes	0	19	305	$5M Base $11.7M Opts.	Apr 02	1 yr basic, 4 yr options	Sole Source through DLA
ATI	Repair Struts Small Frame	15	0	30	$4M	Mar 02	1 yr, w/6 ea 1 yr options	Competitive
Goodrich	Buy Struts, Wheels, Brakes	26	59	44	$498M	Jun 02	10 yrs	Sole Source
Heroux Devtek	Repair Struts Large Frame	99	0	54	$93M	Aug 03	1 yr, w/9 ea 1 yr options	Competitive
Messier Bugatti	Buy Wheels, Brakes	0	2*	TBD	$102M	Dec 02	1 yr, w/5 ea 1 yr options	Competitive
To be determined (Just awarded)	Buy Struts	38	0	2	$55M	TBD	2 yr basic, 3 yrs option	Competitive
Totals		178	78	435				

Messier Bugatti contract to buy new model wheels and brakes for KC-135 plus spare parts

* End item NSNs, contract also includes sub-item spares

Overall Commodity Profile
Step 1.3 - Customer Needs

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

- Customers
  - Flying units
  - MAJCOMs & Lead commands
  - Aircraft depots
  - Landing Gear Depot
- Feedback
  - All: parts are not available when needed; can't have any failures
  - ACC: need to fix rigid link on F-15E
  - Landing Gear Depot: "you ask for parts repaired without ensuring subcomponents are available"

If the part is not available, it must be cannibalized or change the flying schedule

Overall Commodity Profile
Step 1.3 - Customer Needs

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

- Aircraft depot customers
  - We stock to a fill level for aircraft that have programmed landing gear time-change during PDM
  - Some aircraft do not have programmed landing gear time-change during depot induction and policies restrict efficient planning
    - The unit can request landing gear change no sooner then 45 days prior to scheduled induction date
    - The aircraft depot can order time-change landing gear 30 days prior to aircraft induction
- The landing gear repair depot can order sub-assemblies 30 days prior to gear induction
  - They have approximately 8 weeks to receive all sub-assemblies prior to complete reassembly
- Funding must be in place before the job order number is opened to requisition parts

Overall Commodity Profile
Step 1.3 - Review Current Strategy
Weapon Systems

- Spend Analysis
- Current Initiatives
- **Customer Needs**
- Current Performance Metrics / Trends

W/S	PDM	W/S	PDM
F-16 Blk 5-32	N/A	F-15A-E	72
F-16 Blk 40-50	N/A	A-10	N/A
B-1	60	B-2	84
B-52	48	F-22	N/A
C-5	60/84	C-130	54/60/69
KC-135	48/60	E-3	54
T-37	N/A	T-38	N/A
T-39	N/A	F-5	N/A
F-4	N/A	H-53	N/A

PDM interval in months, different a/c variants have different intervals

Overall Commodity Profile
Step 1.4 - Current Performance Metrics / Trends

Spend Analysis

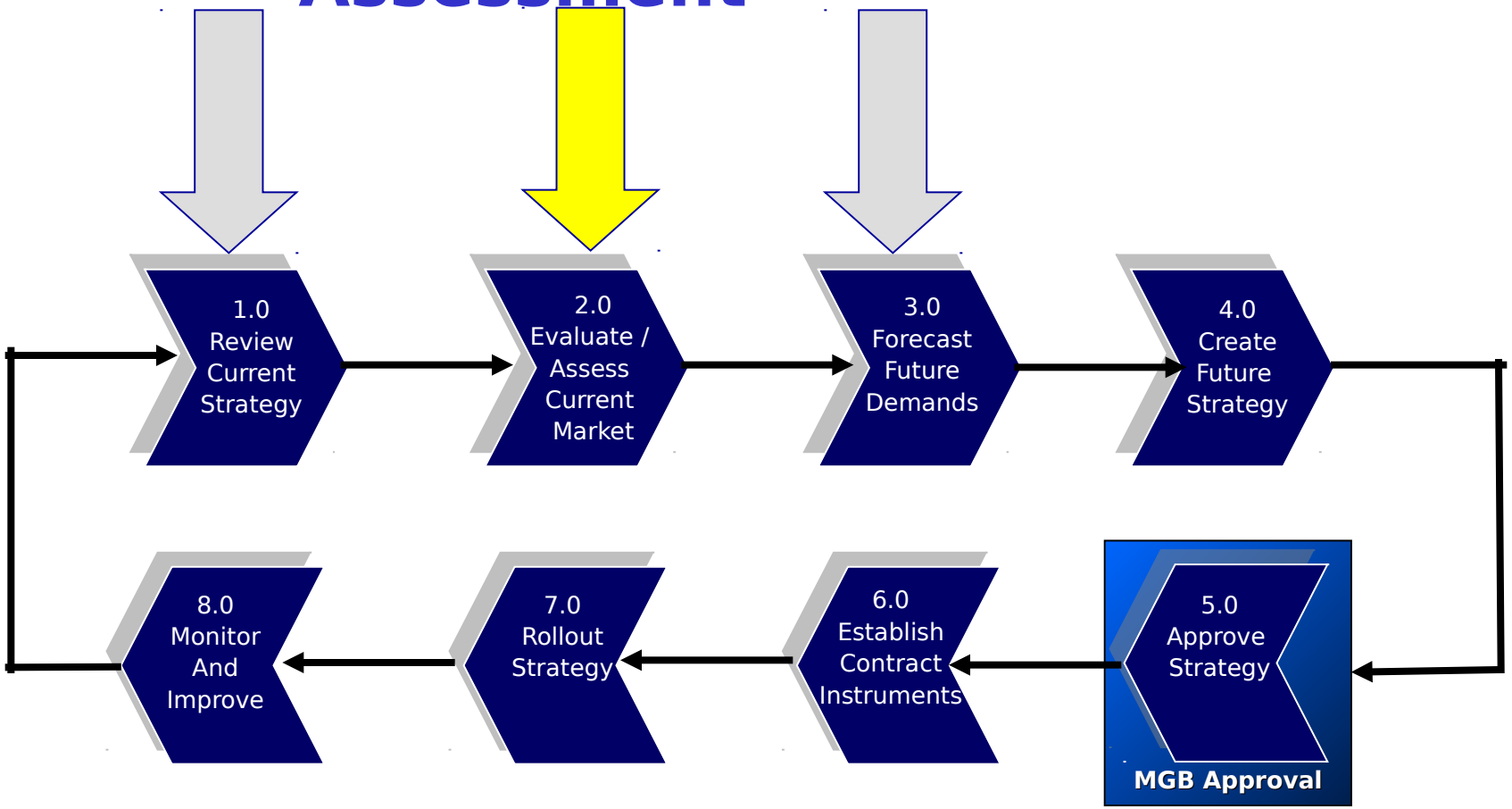
Current Initiatives

Customer Needs

Current Performance Metrics / Trends

- Average customer wait time is 6.083 days (Dec 03)
- Average logistics response time is 33.23 days
- Average ALT is 134 days
  - Goodrich SSI: 3 days in FY03Q4
- Average PLT is 374 days
  - Goodrich SSI: 124 days in FY03Q4 (1st increment)
- Screening actions and first article acceptance add to these lead-times
- 5,142 MICAP incidents and 701K hours in FY 03

Overall Commodity Profile
Step 2: Market Assessment



Overall Commodity Profile
Step 2 - Market Assessment Summary

Market Trends

- Several original equipment manufacturers (OEMs)
- Over 35% of our landing gear components are coded sole source
- Remainder of market including repair is competitive
- Airlines have simplified procurement procedures

Technical Market Analysis

- New suppliers: Messier Bugatti
- New services: inventory consignment, especially forgings
- New materials: Ferrium S53

Supplier Market Analysis

- Suppliers would like to see improvements in our requirements process
- Suppliers want long-term agreements, more communication, access to forecast
- Capacity and availability of components are not issues

Overall Commodity Profile
Step 2.1 - Market Trends

Market Trends

Technical Market Analysis

Supplier Market Analysis

- Competitive market
- Limiting factor in landing gear commodity is the number of forging companies
- Stream-lined qualification process, NADCAP
- Honeywell requires price reductions each year from sub-contractors
- Use Electronic Data Interchange to transmit technical data packages or other *e*-based systems

Overall Commodity Profile
Step 2.1 - Market Trends

Market Trends

Technical Market Analysis

Supplier Market Analysis

- Airlines limit contracts to three to five years or life of program due to changes in market
- Airlines have defined landing gear overhaul and condemnation schedules
  - Simplifies their forecasting requirements
  - Reduced lead-times minimized spares inventory
  - Minimizes size of purchasing office
- Use supplier reputation to limit supplier field and then Delphi method for source selection
- Modified vendor owned and management of tire inventory

Overall Commodity Profile Step 2.2 – Technical Market Analysis

Market Trends

Technical Market Analysis

Supplier Market Analysis

- Engineering Branch is researching over 130 different initiatives including:
  - Interactive Process Order Development and Display system (iPODDs) can help forecast condemnation
  - New materials in development
    - Non-corrosive steel
    - Advanced carbon brakes
  - HVOF plating more durable than chrome
- Messier Bugatti is supplier of new wheel and brake for KC-135
- Vendor owned and management inventory, consignment, direct vendor delivery
- Several companies looking for repair work

Overall Commodity Profile Step 2.3 – Supplier Market Analysis

Market Trends

Technical Market Analysis

Supplier Market Analysis

- Suppliers desire long-term contracts
- Improved communication, increased frequency
  - Would like to see forecast for the year not just quarter or purchase order
  - BOM, lead-times, condemnation rates, etc…
  - Willing to assume some risk with inventory
- Suppliers, including MA, do not like using DLA
- Want to see our qualification process stream-lined including “like item lists”
- Capacity not an issue including organic repair
- Market availability of commodity is not an issue

Overall Commodity Profile Step 2.3 – Supplier Market Analysis

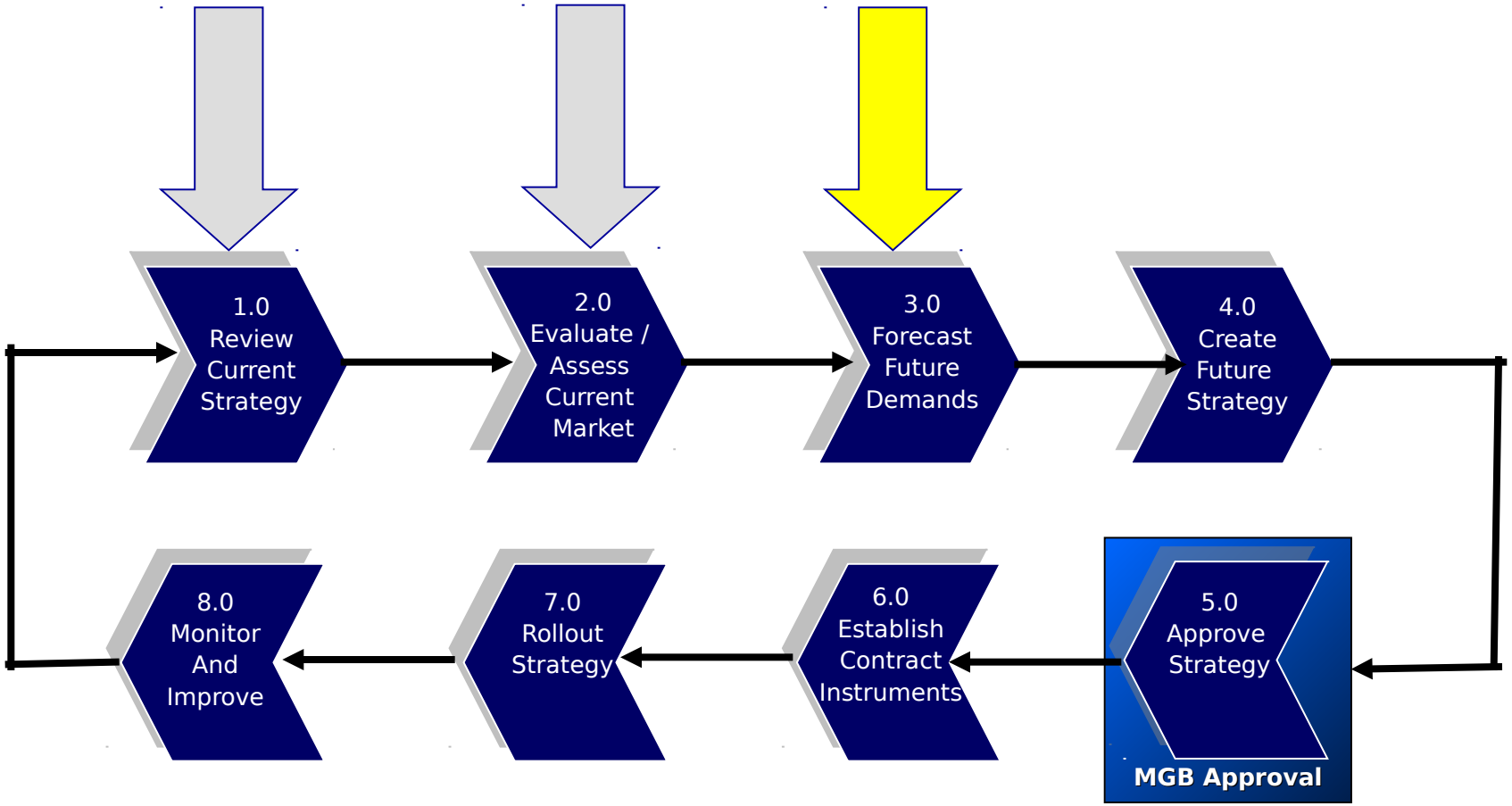
Market Trends

Technical Market Analysis

Supplier Market Analysis

- 123 Suppliers
  - 10 Large companies
  - 108 Small companies
  - 5 Foreign companies
- Key cost drivers
  - AF ordering process and quantities
  - Material including access to forgings
  - Qualification process
  - Infrastructure including machining and tooling
  - DLA surcharge

Overall Commodity Profile Step 3: Analyze Demand Forecast



Overall Commodity Profile
Step 3: Demand Forecast Summary

Forecast Analysis

- **Total forecast is $711.2M; $214.3M in buys and $496.9M in repair**

Budget / Funding

- **Limited due to budget process**
- **Currently funded at 67%**
- **FY 03 received 100% funding against Mar 02 Comp**

Trend Analysis

- **Buy and repair proportion switched compared to FY 00 – 02**
- **Less than half NSNs bought in FY 00 – 02 forecasted for 04 – 06**
- **Significant differences in quantities forecasted compared to spend**

Overall Commodity Profile
Step 3.1 - Forecast Analysis

Forecast Analysis

Budget/Funding

Trend Analysis

Forecast Summary

- 485 Total NSNs have a 3-year buy forecast of $214,316,538
- 75 NSNs are on a strategic contract with a total value of $78,988,545
  - 15 NSNs are sole source to Goodrich or ABS but not on the SSI
- 633 NSNs have a 3-year repair forecast of $496,876,671

FSC	NSNs	Organic	Contract
1620	402	$44,588,102	$323,718,892
1630	131	$ 1,615,749	$126,953,928

Overall Commodity Profile
Step 3.1 - Forecast Analysis

Forecast Analysis

Budget/Funding

Trend Analysis

- 410 NSNs are NOT on a strategic contract
  - 35 NSNs have an unassigned AMC (included in competitive numbers below)

FSC	SS	$	Comp.	$
1620	52	$8,963,158	268	$73,939,776
1630	60	$46,202,573	30	$6,222,486

Overall Commodity Profile
Step 3.2 – Budget/Funding

Forecast Analysis

Budget/Funding

Trend Analysis

- Material stock division (MSD) funds are one-year funds
  - Budget request submitted in March preceding the next fiscal year
  - Partial budget received (67%) in October of current fiscal year, remainder in March
  - Funding covers acquisition lead-time
- FY 03 budget, forecast and actuals
  - Received 100% funding against Mar 02 Computation

Overall Commodity Profile
Step 3.3 – Trend Analysis

Forecast Analysis

Budget/Funding

Trend Analysis

- Will compare historical spend to forecast
  - Look for any differences in NSNs and quantities
  - Only 232 NSNs the same from FY 00 – 02 to FY 04 – 06
  - Approximately 50% of the items procured in FY 00 – 02 and forecasted for FY 04 – 06 have a significant difference in quantities
  - Analyze differences
- Need to breakout remaining NSNs of the 2206 total for sole source and competitive

Overall Commodity Profile
Step 3.3 – Trend Analysis

Forecast Analysis

Budget/Funding

Trend Analysis

Interesting notes

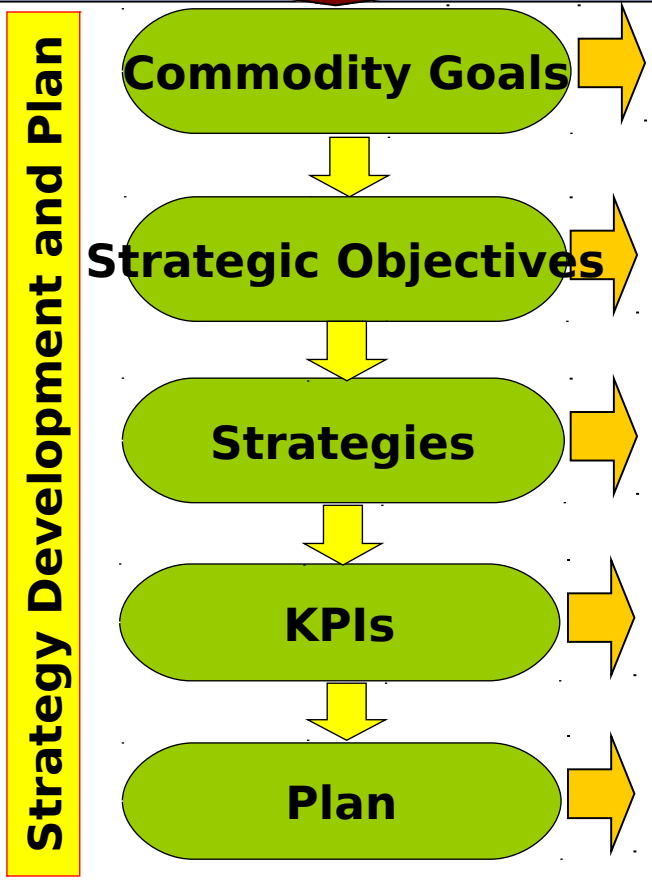
	FY 04	05	06	
– C-5 Ballscrew forecast:	29	3	91	*
– F-15E MLG wheel: **	147	131	115	

* Illustrates a need for smoothing

** Illustrates a need for continuous buy contracts

Overall Commodity Profile Goal Alignment Process

Process Step 1-3
Discovery

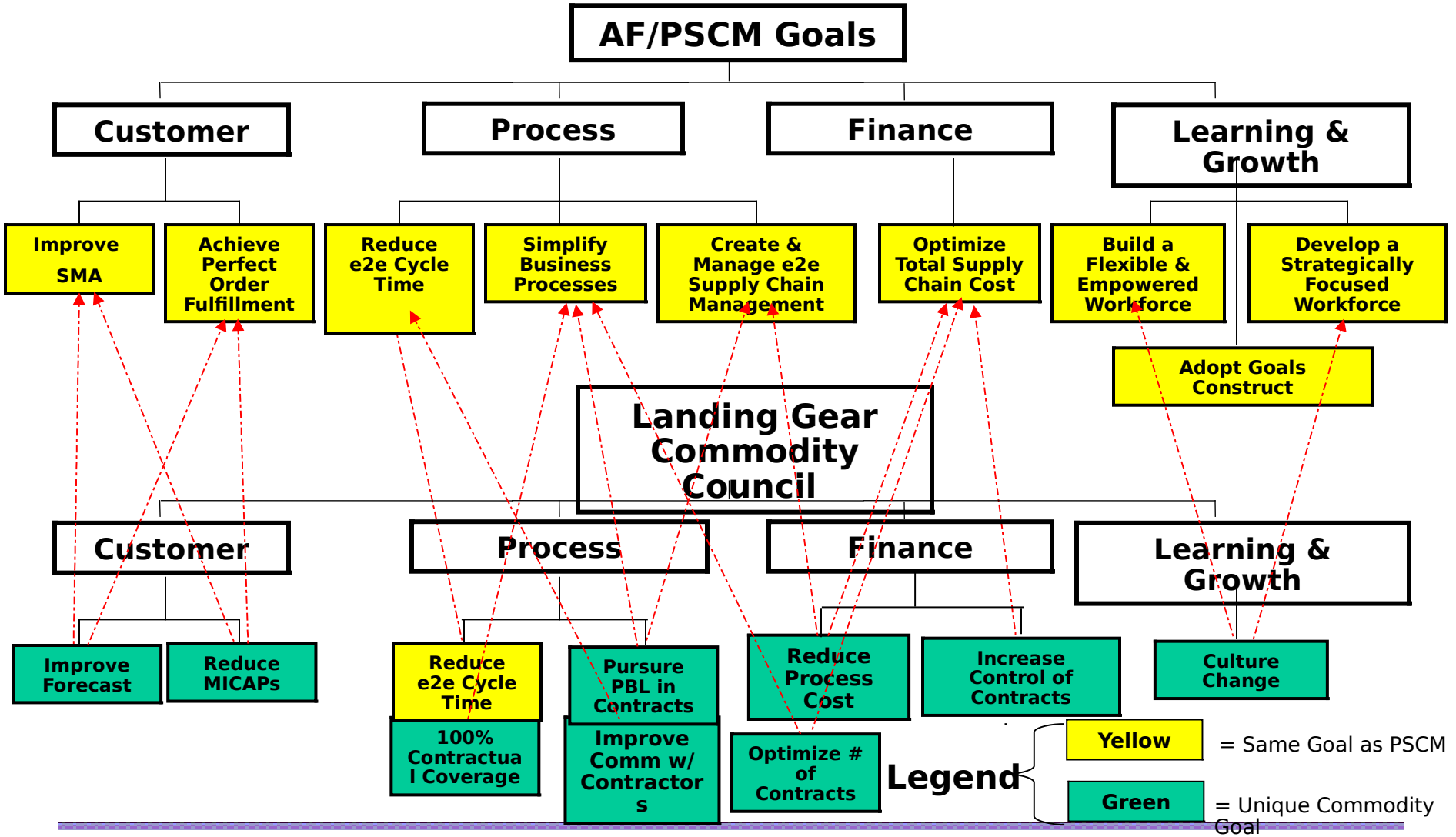


- **Align to PSCM Goals**
- **Crosses all Commodity Spirals, aligns to Commodity Goals**
- **Spiral Specific, Supports Commodity Goals**
- **Measures Execution of Strategy Implementation**
- **Identifies Specific Activities, Assumptions, Responsibilities and Schedules to Achieve each Strategy**

Commodity Specific Goals

COMMODITY GOAL		DESCRIPTION
1	**Change culture**	Empower, recognize, reward workforce taking risk and innovation
2	**100% contractual coverage**	Review all 2206 NSNs, place on strategic contract what makes sense
3	**Reduce cycle time**	ALT, PLT leading to reduced LRT and then CWT
4	**Reduce MICAPs**	Reduce MICAP incidents, hours, and number of parts MICAP
5	**Reduce process cost**	Streamline supply chain process, life cycle cost, reduced inventory
6	**Pursue PBL in contracts**	PBL cost, quality, delivery, services
7	**Improve communication w/ contractors**	Provide forecast, other pertinent info, frequent dialogue
8	**Increase ability to enforce contracts**	Enforce contract provisions
9	**Optimize number of contracts**	Manageable number of contracts, create best value
10	**Improve forecast**	Forecast accuracy and responsiveness over existing systems

Commodity Specific Goals aligned to PSCM Goals



Commodity Specific Objectives

COMMODITY OBJECTIVE	GOAL SUPPORTED	DETAILS
Implement iPODDs	**4, 6, 8, 10**	Measuring and tracking system to help forecast condemnation
Train workforce	**1, 3, 4, 6, 7, 8, 10**	Empower, reward, develop strategic thinking, enforce contracts
Serialize all reparable items	**4, 6, 8, 10**	Track all reparable items, develop scheduled overhaul and condemnation intervals
Develop dialogue with contractors	**3, 4, 7, 10**	Constructive, periodic meetings, review contract and items
Review DLA converage	**2, 3, 4, 5**	Review DLA support, look for areas to improve
Co-located suppliers	**3, 5, 6, 7, 10**	Suppliers have a local area for a forward supply point
Develop e-business practices	**3, 5**	AFMC level effort, ensure contracts allow it
Integrate all strategic efforts	**1, 3, 4, 5, 9**	Fold in Weapons System Plan team, ALGLE, Tires, APS, MANL efforts
Partner with Navy landing gear program	**5, 9**	Save DoD money

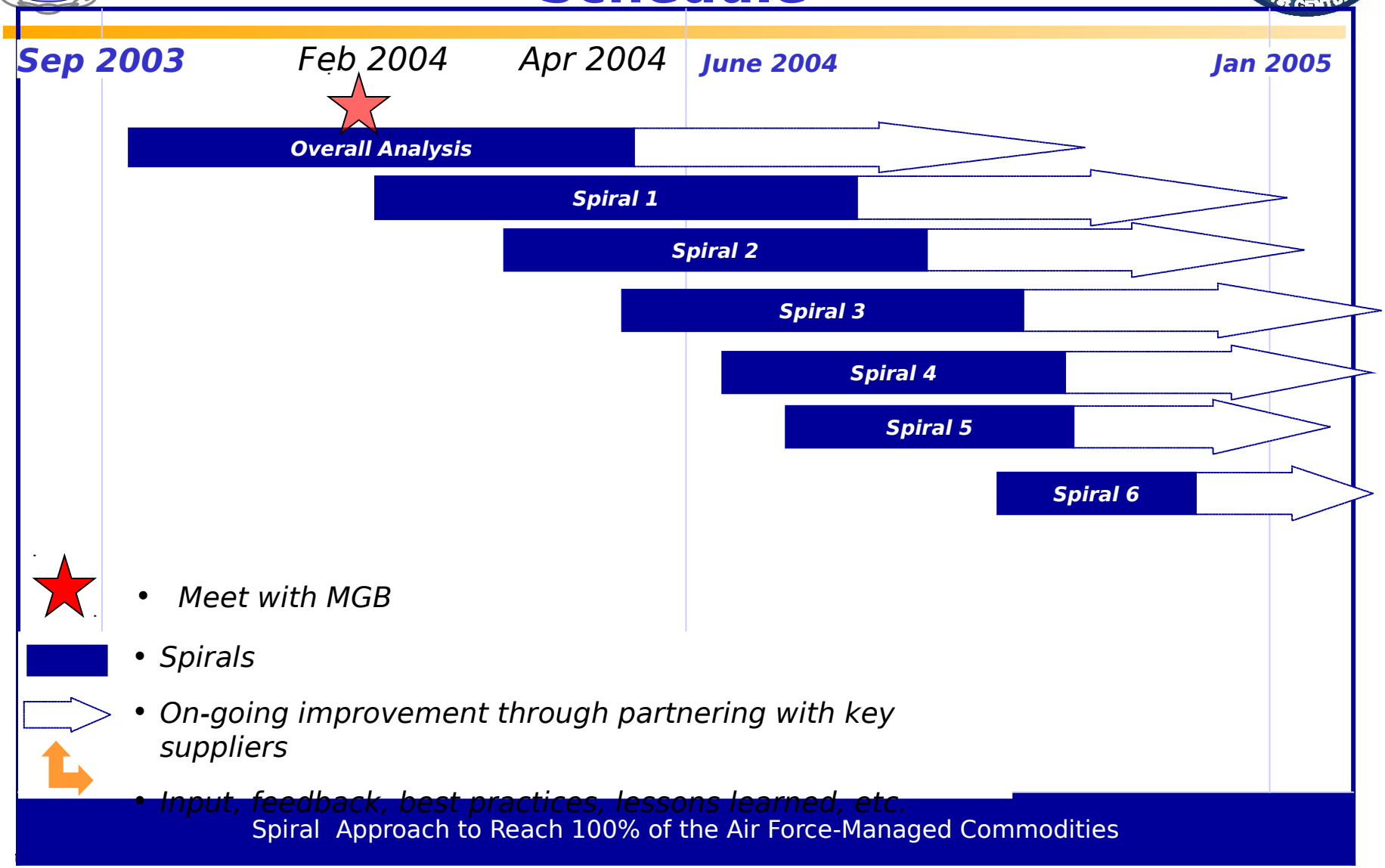
Commodity Specific Spirals

Description	NSNs	Forecast	Details
Honeywell Corporate Cont.	26	$ 12.7	Add Honeywell sole source items to OC-ALC corporate contract
All 1630 sole source items	61-		FSC 1630 has many sole source providers that do not compete for other items
All remaining 1620 & 1630 items	2036-		Yet to be determined how we divide this group
All 2620, tires	62		May already be done
Review DLA converage			Review DLA support, look for areas to improve
Contract all other Landing gear managed items			Several other FSCs managed by Landing Gear
Review current strategic contracts for PBL			Add PBL to current buy and repair strategic contracts
Implement PBL contract with organic repair			Measure and improve support from organic repair

Commodity Specific KPIs

Goal	KPI
Change culture	% of employees receiving PSCM training
100% contractural coverage	% on contract
Reduce cycle time	ALT, PLT, LRT, CWT
Reduce MICAPs	Hours, incidents, number of NSNs MICAP
Reduce process cost	Cost of inventory
Pursue PBL in contracts	% of contracts with PBL incentives
Improve communication w/ contractors	Number of reviews w/ supplier
Increase ability to enforce contracts	Balanced scorecard measurements
Optimize number of contracts	# of contract actions for each contract
Improve forecast	Reduce number of items procured but not forecasted

Interim Approval & Commodity Completion Schedule



Spiral Approach to Reach 100% of the Air Force-Managed Commodities

Interim Commodity Strategy Approval

- Obtain Interim Approval of Landing Gear Commodity Acquisition Management Plan (CAMP) [based on Commodity: Profile, Goals, Strategic Objectives, Spiral Development Plan, and Completion Schedule]

Feedback: _____

_____

_____

_____

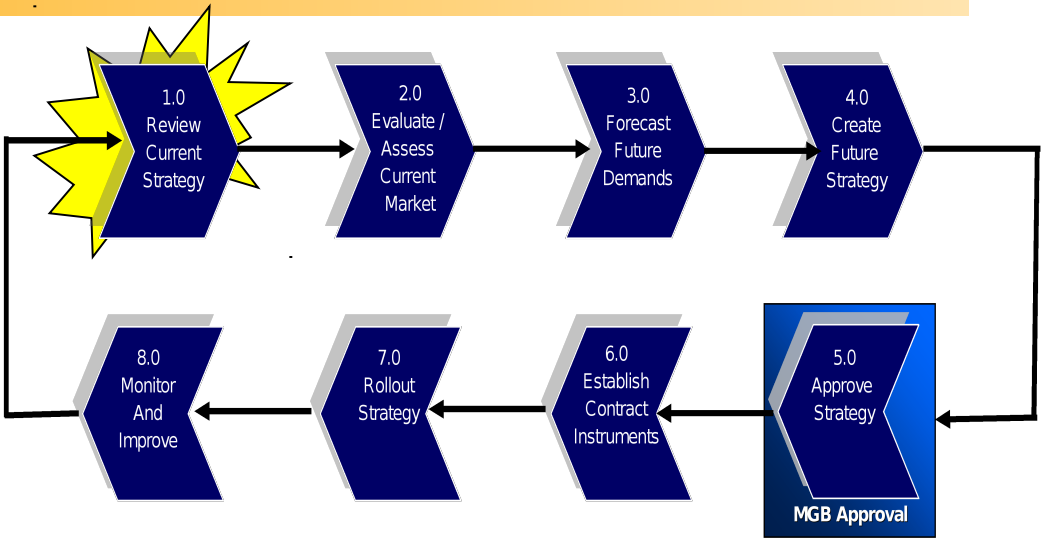
_____

Signatures:

_____	_____
Mr. E. Koenig, AFMC/LG	**Mr. T. Wells. AFMC/PK**
_____	_____
Mr. G. Hathenbruck, OO-ALCLG	**Mr. M. Gill, OO-ALC/PK**
_____	_____
Mr. C. McRorie, OC-ALC/LG	**Col K. Truesdale, OC-ALC/PK**
_____	_____
Mr. J. Blair, WR-ALC/LG	**Mrs. P. Reeves, WR-ALC/PK**

Spiral #1
Step 1: Review Current Strategy Overview

- Spend Analysis Data
- Current Initiatives / Contracts
- Customer Needs
- Performance Baseline



Spiral #1
Step 1: Review Current Strategy

Spend Analysis

- The summary points should support the case for recommending the particular spiral.
- Summary points should be brief and to the point.
- Summary points should only address Spend Analysis findings.
- Summary points should tie back to takeaways or information provided later in the section.

Current Initiatives

- Summary points should address only current contracting or management activities related to the items in the spiral being presented.

Customer Needs

- Capture the main issues the customers of the items in spiral have with the item support they have received.

Performance Baseline

- Summary points should present the performance baseline KPIs which would be the best measure for this spiral.
- Summary points should briefly detail current metric baseline. (e.g Current ALT is 185 days)

SAMPLE: Spiral #XX
Step 1: Review Current Strategy Summary

Spend Analysis

- $24M in Annual New Buy Spend Sole Sourced to ABC Aero
- 29 NIINs and 47% of Spend at WR, 26 NIINs/30% Spend at OO, and 17NIINs/23% Spend at OC
- Average of 2.9 Contract actions per year per NIIN
- 76% of Spend with ABC Aero was for New Buy and 24% was for Contracted Repair

Current Initiatives

- Only 8% of NIINs are currently under long-term contracts
- Currently two separate solicitations being crafted to address 9 NIINs and additional 17% Spend

Customer Needs

- Customers require faster response and order fulfillment
- Customers report some cannibalization occurring

Performance Baseline

- Average ALT is 92 days per NIIN
- Average 2.9 Contract Actions per NIIN per year

SAMPLE ONLY

Spiral #XX
Step 1: Review Current Strategy Data Sources and Analysis-
Instructions

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

The DATA SOURCES & ANALYSIS slide(s) will detail enough information to convey to MGB the data sources used to perform the analyses.

The slide will detail the scope, in terms of time period examined, included in the analysis.

The slide can also detail special concerns related to the information available, content, or method of analysis used.

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Data Sources and Analysis

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

- Period of Spend reviewed was FY'01 through FY'03
- Data sources included .....
- Enterprise Spend Analysis was used for data extraction - assuming content is accurate
- Small business data sources are inadequate
  - **Example: DD-350 only credits when SB is the prime**
- Difficult to determine what was purchased
  - **Product descriptions lacking**
- Vendor data helpful but not adequate
  - **No clear indication from ABC Aero as to how much PLT can be reduced from current averages**

SAMPLE ONLY

Spiral #XX
Step 1: Review Current Strategy
Spend Analysis- Instructions

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

The following slides provide a few **examples** of what could be detailed for the spend analysis.

- Graphics and discussion will address **Spiral NIINs Only**
- Graphics and discussion could inclu
  - Total Spend,
  - Spend by ALC,
  - Spend by Org Unit,
  - Spend by Supplier(s),
  - Spend by FSC,
  - Spend by Item Type,
  - Spend By Technology.

*Detail in this graphics **could** include:*

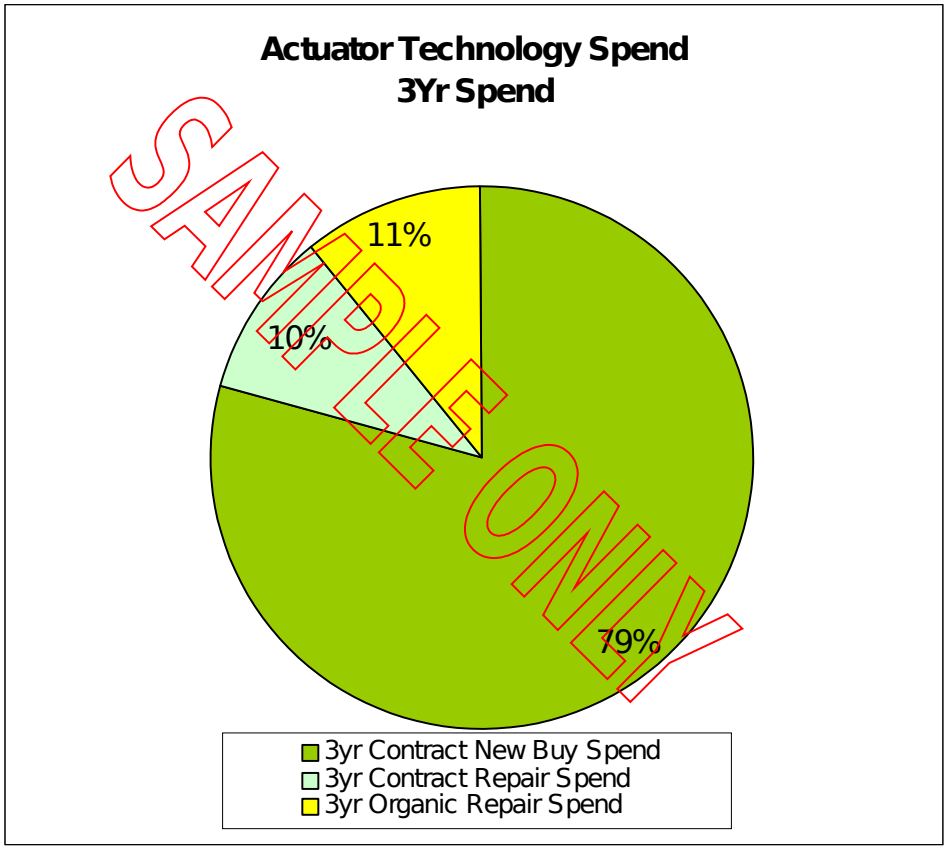
- *Dollars,*
- *# NIINs*
- *# CAGEs*
- *# Contracts*
- *# Contract Actions*
- # Org Units
- # FSCs
- %'s for Dollars, Counts

Each slide shall include a takeaway statement – key takeaways

justifying this Spiral should be noted in the summary slide

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

- **Spend Analysis**
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends



The lion's share of Actuator technology spend is for New Buys

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

ABC Aero: Top 15 NIINs

Company Name	Commodity Group	FSC	ALC	NIIN	Contract Actions / YR	Avg. New Buy / YR	Avg. Contract Repair/YR	Avg. Total Contracted/YR	
ABC AERO	Communications	5826	WR	011244793	4	$1,423,125	$0	$1,423,125	★
ABC AERO	Communications	5985	OO	014984610	4	$1,105,587	$313,502	$1,419,089	★
ABC AERO	Communications	5895	WR	011332474	3	$1,418,144	$0	$1,418,144	
ABC AERO	Communications	5895	WR	012496137	4	$587,784	$823,896	$1,411,680	★
ABC AERO	Communications	5821	OO	013063385	2	$1,373,345	$0	$1,373,345	★
ABC AERO	Communications	5895	WR	005537005	1	$1,360,960	$0	$1,360,960	
ABC AERO	Communications	5985	OC	013849807	3	$1,357,890	$0	$1,357,890	
ABC AERO	Communications	5831	WR	013954908	3	$894,140	$460,951	$1,355,091	★
ABC AERO	Communications	5895	OC	004775936	5	$323,440	$1,009,784	$1,333,224	★
ABC AERO	Communications	5985	WR	013927977	4	$697,269	$589,861	$1,287,130	
ABC AERO	Communications	5821	OO	013972871	2	$1,284,935	$0	$1,284,935	
ABC AERO	Communications	5985	WR	012684574	2	$389,387	$893,412	$1,282,799	
ABC AERO	Communications	5821	OO	013123525	2	$1,281,476	$0	$1,281,476	
ABC AERO	Communications	5826	OO	010211744	3	$1,260,000	$0	$1,260,000	
ABC AERO	Communications	5985	WR	013038121	5	$186,150	$1,058,648	$1,244,798	
					47	$14,943,632	$5,150,054	$20,093,686	

SAMPLE ONLY

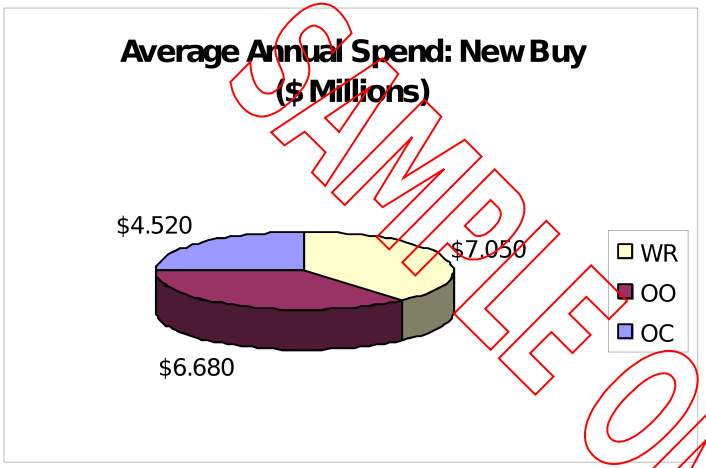
★ = NIINs on LTC

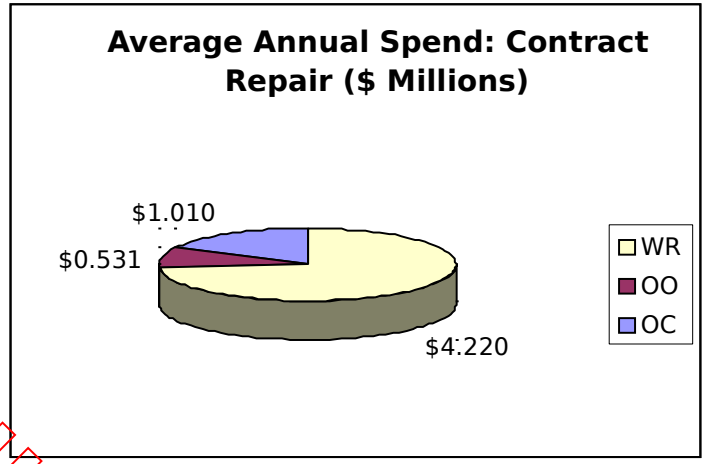
83% of Spend with ABC was concentrated in contracts for 15 NIINs

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

- **Spend Analysis**
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends

ALC Concentration of Spend for Competitive NIINs



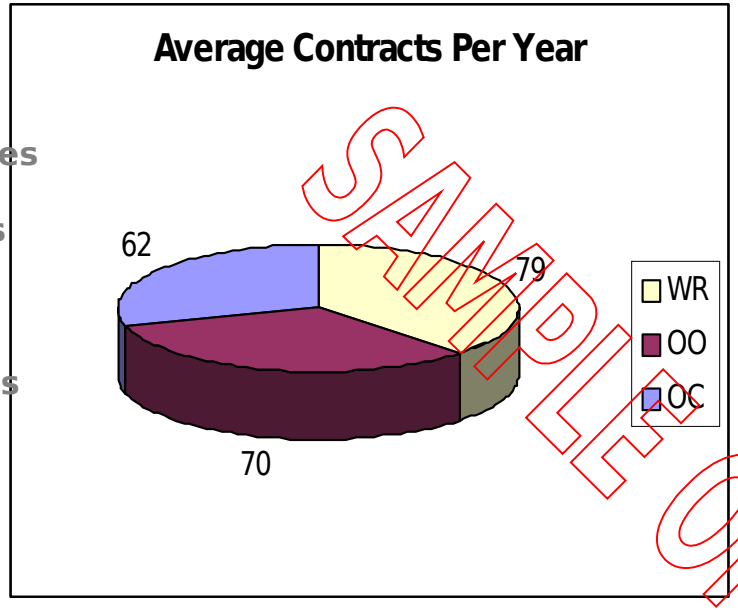


SAMPLE ONLY

Warner Robins manages Competitive NIINs with the majority of both New Buy and Contract Repair Spend

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

- **Spend Analysis**
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends



SAMPLE ONLY

Base Contract Per Year			
	WR	OO	OC
FY01	75	50	44
FY02	71	60	52
FY03	92	100	90
Total	238	210	186
Average	79	70	62

Avg. # NIINs purchased at each ALC remained relatively constant throughout period while contracts utilized increased.

Trend: Increasing # of contracts per year per NIIN:
Indication that spot buys are being used more often than LTCs.

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

- **Spend Analysis**
- Current Initiatives
- Customer Needs
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New Buy Spend			
	WR	OO	OC
FY01	$8,671,500	$8,216,400	$5,559,600
FY02	$6,556,500	$6,212,400	$4,203,600
FY03	$5,922,000	$5,611,200	$3,796,800
Total	$21,150,028	$20,040,027	$13,560,018
Average	$7,050,009	$6,680,009	$4,520,006

Contract Repair Spend			
	WR	OO	OC
FY01	$2,785,200	$350,460	$666,600
FY02	$4,177,800	$525,690	$999,900
FY03	$5,697,000	$716,850	$1,363,500
Total	$12,660,017	$1,593,002	$3,030,004
Average	$4,220,006	$531,001	$1,010,001

SAMPLE ONLY

Trend: Increasing Contract Repair Spend per Year.

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

Commodity Group	CAGE Code	Company Name	#FSCs	#NIINs	#Contracts	#Contract Actions	Contract New Buy Spend	Contract Repair Spend	Total Contract New Buy and Contract Repair Spend
Ground Support Equipment	98255	SYSTEMS & ELECTRONICS INC.	1	2	2	4	$276,915,900	$3,655	$276,919,555
	32526	STINAR CORPORATION	3	5	4	8	$27,138,200	$0	$27,138,200
	22638	ATAP INC.	2	12	2	24	$26,106,056	$107,795	$26,213,851
	1B1P0	GLOBAL GROUND SUPPORT LLC	1	2	1	4	$20,835,323	$0	$20,835,323
	56529	HYDRAULICS INTERNATIONAL INC	1	9	9	25	$19,236,449	$0	$19,236,449
	02LU7	HONEYWELL INTL INC	1	35	11	29	$4,172,415	$5,881,976	$10,054,391
	59556	KOVATCH CORPORATION	1	1	1	3	$9,850,390	$0	$9,850,390
	93408	FMC TECHNOLOGIES INC	1	3	2	4	$8,278,790	$0	$8,278,790
	0FC01	SUNBELT DESIGN & DEVELOPMENT INC	2	23	24	32	$6,231,471	$0	$6,231,471
	017N4	HONEYWELL INTERNATIONAL INC	1	18	7	7	$3,765,590	$2,239,154	$6,004,744

SAMPLE ONLY

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

Of the 87 Sole Source Suppliers providing Ground Support Equipment, the top 10 represent 72% of Spend.

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Spend Analysis

Vendor Profile – Those matched to Central Contractor Registry

BusTypeName	#Of Vendors	Sum Of Spend	BusTypeName	#Of Vendors	Sum Of Spend
Manufacturer	368	$567,709,632.95	Black American Owned	15	$9,060,775.67
Small Business	334	$162,725,034.17	Subgroup	3	$8,135,004.66
S Corporation	228	$80,037,869.03	Labor Surplus Area Firm	38	$6,871,699.09
Limited Liability Company	42	$68,129,792.40	Veteran Owned	61	$4,813,039.15
Surplus Dealer	8	$65,648,866.02	Research Institute	10	$3,628,964.62
Service Location	212	$46,290,983.84	Sheltered Workshop	3	$3,305,363.08
Large Business	81	$39,144,742.45	Educational Institution	36	$1,739,331.53
Women Owned Business	107	$35,617,264.95	Hispanic American Owned	10	$1,314,110.49
Minority-Owned Business, Large	68	$29,120,208.54	HUB Zone Certification	7	$1,220,571.04
Emerging Business / other unlisted typ	186	$28,918,498.11	Foreign Supplier	3	$946,113.26
Municipality	8	$28,500,048.74	Asian-Pacific American Owned	11	$800,535.56
Construction Firm	67	$22,078,683.63	American Indian owned	3	$616,163.16
Small Disadvantaged Business	72	$19,025,336.97	Native American Owned	1	$323,364.92
Section 8(a) Program Participating Firm	29	$17,015,561.92	Federal, State, County, or City Facility	4	$293,073.64
Nonprofit Institution	55	$12,731,198.12	No Representation of the Above	5	$86,999.64
Subcontinent Asian (Asian Indian) Am	9	$11,180,711.96	Service Disabled Veteran	2	$14,341.20

SAMPLE ONLY

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

Largest Spend for Spiral XXX is with manufacturers XXX% is with Small Businesses.

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Current Initiatives - INSTRUCTIONS

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

The Current Initiatives Sections should detail any sourcing development, RFP, solicitation, or current contracts related to Spiral NIIN population.

This section could include graphics such as:

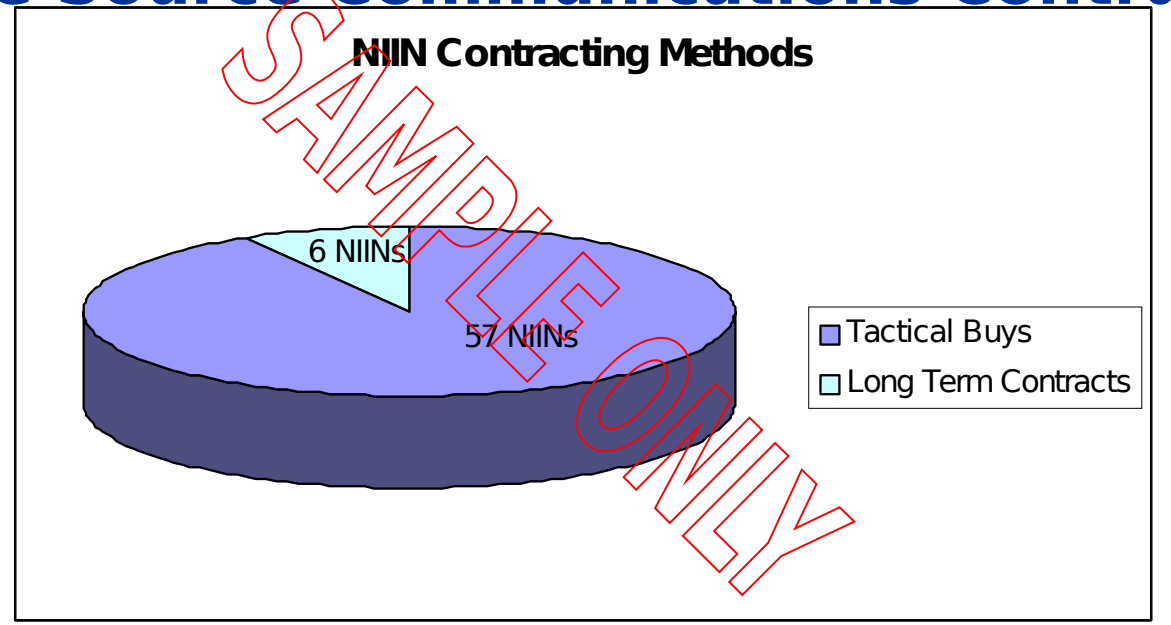
- Current Long Term Contract summaries,
- Current contract summaries detail in terms of contract types used over the period reviewed,
- Summary of NIIN population for a particular initiative currently being worked.

- Contract Methods
  - Define the manner in which NIIN populations currently being contracted
  - Define whether there has been any trend in the contracting
  - Define any existing RFQ, proposal development, solicitations, etc.
- Small Business Strategy
  - Define whether there is a small business impact
  - Define means to mitigate any negative impact on small business community

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Current Initiatives

- Spend Analysis
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends

Air Force
ole Source Communications Contracts

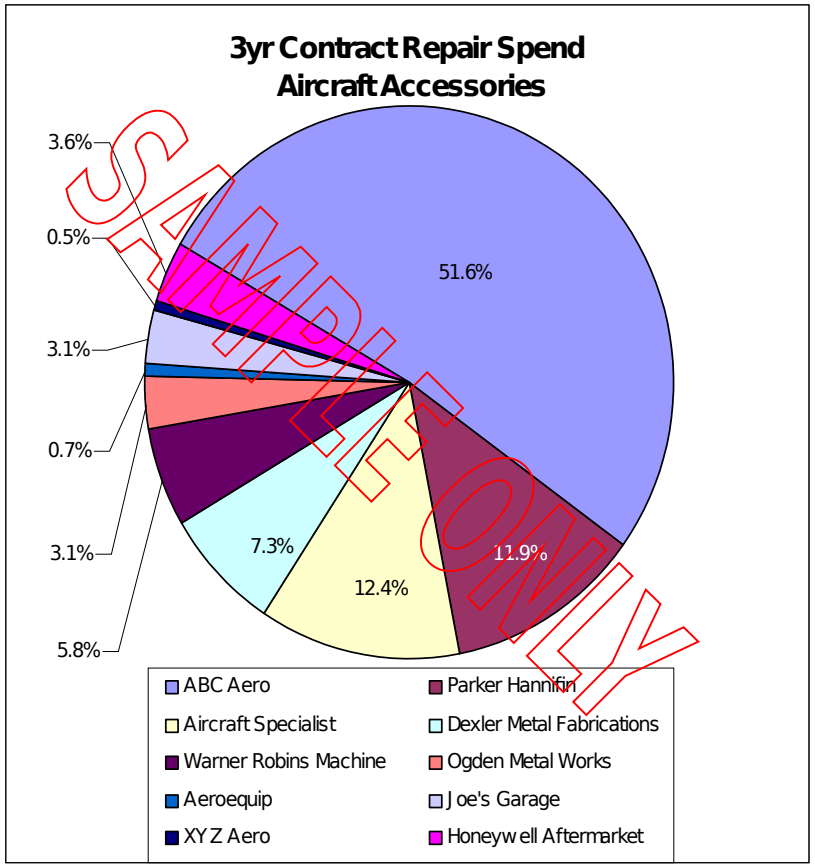


SAMPLE ONLY

Most contracting is tactical and reactive in nature.

SAMPLE: Spiral #XX
Step 1: Review Current Strategy
Current Initiatives

- Spend Analysis
- **Current Initiatives**
- Customer Needs
- Current Performance Metrics / Trends



Sole source LTC contracts for Actuators concentrated with ABC Aero

Placeholder: Spiral #XX
Step 1: Review Current Strategy
Current Initiatives

- Spend Analysis
- **Current Initiatives**
- Customer Needs
- Current Performance Metrics / Trends

This slide is provided as a placeholder for your input.

Spiral #XX
Step 1: Review Current Strategy
Customer Needs- **Instructions**

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

- Identify Customers / Stakeholders and their needs
  - Graphics or text could define customers by Weapon System, Maintenance Unit, ALC, or Geography
  - Define Customers' and Stakeholders' Needs

Placeholder: Spiral #XX
Step 1: Review Current Strategy
Customer Needs

- Spend Analysis
- Current Initiatives
- Customer Needs
- Current Performance Metrics / Trends

This slide is provided as a placeholder for your input.

Takeaway statement

Spiral #XX
Step 1: Review Current Strategy
Current Performance Trends - INSTRUCTIONS

Spend Analysis

Current Initiatives

Customer Needs

Current Performance Metrics / Trends

Performance baseline slides should detail the metrics related to the Spiral NIIN population, and emphasis should be placed on those metrics which are anticipated to improve after employment of strategy.

- Possible metrics: Average number contract actions, cost per unit, total logistics time, inventory levels, ALT, PLT, CWT, Small Business utilization.

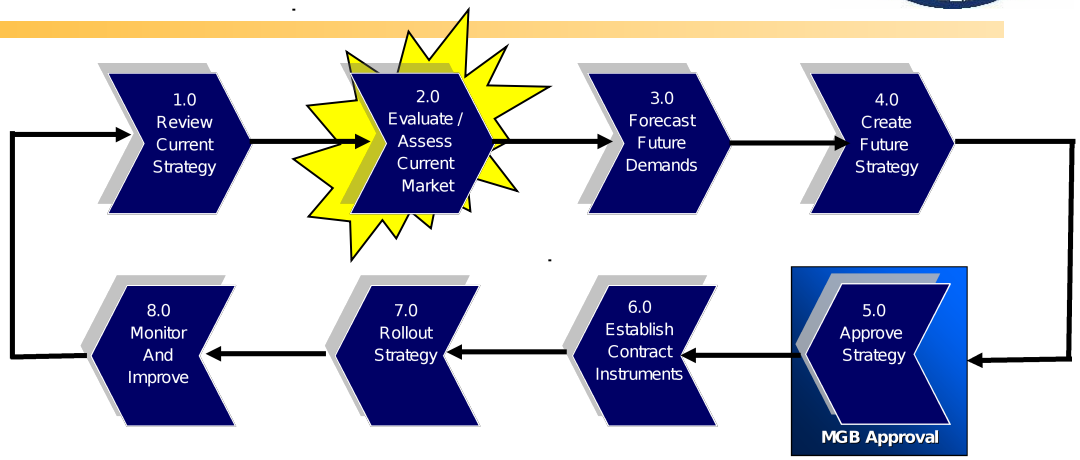
Placeholder: Spiral #XX
Step 1: Review Current Strategy
Current Performance Trends

- Spend Analysis
- Current Initiatives
- Customer Needs
- **Current Performance Metrics / Trends**

This slide is provided as a placeholder for your input.

Spiral #XX
Step 2: Market Assessment

- Market Trends
- Technical Market Intelligence
- Supplier Market Intelligence



Spiral #XX
Step 2: Market Assessment
Summary - Instructions

Market Trends

- Include your key takeaways from detailed slides from the Market Trends section that follows

Technical Market Analysis

- Include your key takeaways from detailed slides from the Technical Market Analysis section that follows

Supplier Market Analysis

- Include your key takeaways from detailed slides from the Supplier Market Analysis section that follows

SAMPLE: Spiral #XX
Step 2: Market Assessment Summary

Market Trends

- Federal Government is X% of the Commercial Market for Passive Components
- Market is highly fragmented with manufacturers, distributors, and after-market sellers.

Technical Market Analysis

- Rapid pace of technology change is rendering inventory obsolete in two years or less.

Supplier Market Analysis

- Suppliers A, B, C, and D dominate commercial Market; B is focused on Govt; A, C and D have Y% of commercial share
- Suppliers A, B and C are actual manufacturers, E is surplus, D is a vendor that provides JIT support for commercial airlines
- All key suppliers are considered financially stable by DCAA
- DCMA performance data reflects that 3 suppliers have experienced “red” ratings within last 12 months due to quality shortcomings

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Spiral #XX
Step 2: Market Assessment
Market Trends: **Instructions**

- Define the Commodity Industry trends related to this Spiral with both the product and supply chain considerations (distribution, inventory management, etc.)
- Define demand and forecast issues
- Define unique cost considerations in the industry
- Include Industry reports

SAMPLE: Spiral #XX
Step 2: Market Assessment
Commodity Market Trends

- Rapidly changing technology
- Aggressive business tactics by most vendors
- Relatively small number of market leaders in commodity groups
- Fluid vendor positioning in commodity groups
- Narrow windows of discount opportunity
- Differentiating commercial practices (e.g., warranty, tech support)
- Just-in-time inventory (for suppliers as well as AF)
- Competition between vendors and their suppliers
- Reseller vendor discounts impacted by buying power/volume (impacts small business)
- In some commodity groups, Small Businesses have difficulty competing for global AF needs (e.g., desktops, laptops OEM)

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SAMPLE: Spiral #XX
Step 2: Market Assessment
An Industry Summary

Most Recent Trends in E-Learning Industry
Executive Summary

Purpose
The purpose of this report is to provide an update focusing on important developments occurring in the rapidly changing e-learning industry. It also highlights some of the most recent e-learning industry trends.

The report is a part of strategic intelligence initiatives from MySI team to serve IBM Services and General Procurement community. It also fulfills a requirement of education sub-commodity sourcing team within Business Services council.

In addition, the report may also provide some insights for other IBM organizations such as Learning Services and Human Resources.

Key Findings
The e-learning industry as a percentage of the total is growing although the entire corporate training industry has been shrinking in 2002.
E-learning is gaining wider acceptance but the adoption rate in some sectors remains slow
IT/high-tech sector is among the top 5 sectors in e-learning investment but banking and financial services sector has emerged as the leader in growth
Many e-learning suppliers saw the greatest slowdown of spending from IT/high tech companies in 2002
E-learning can extend beyond the enterprise to partners, suppliers and customers
Market conditions are driving the commoditization of the e-learning industry as more acceptable quality products are becoming widely available and less differentiated
2002 has been a significant year for consolidation. A general industry shakeout, however, is yet to come

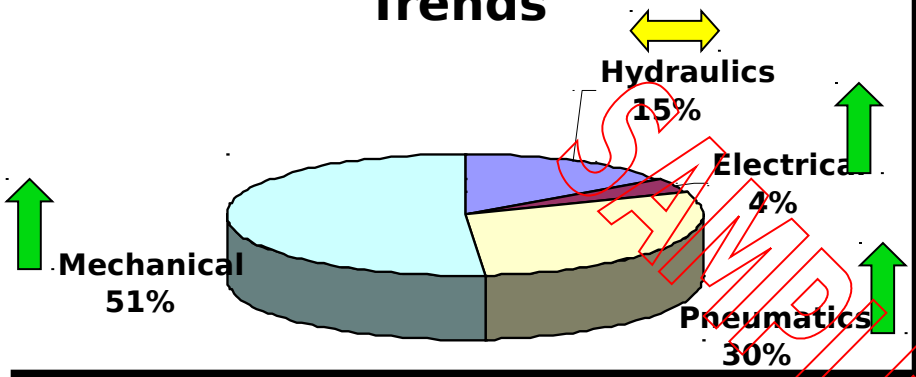
SAMPLE ONLY

SAMPLE: Spiral #XX
Step 2: Market Assessment
Technical Market Analysis - Instructions

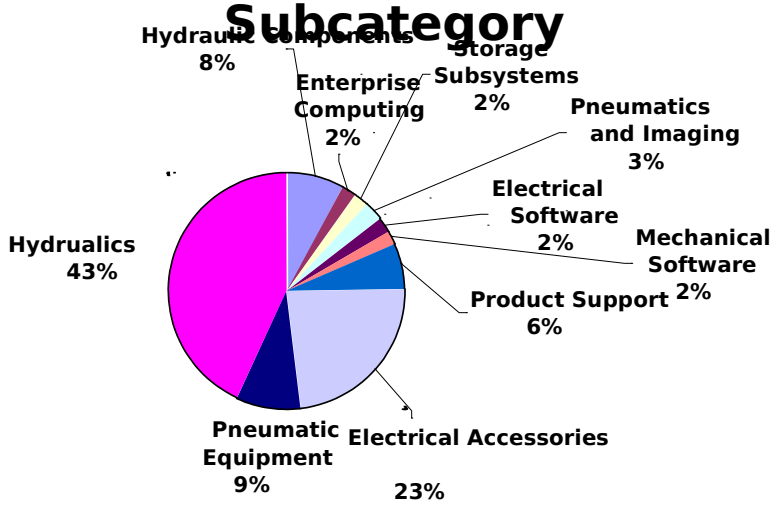
- Define considerations specific to the technical nature of the items
- Define Product families and common characteristics and related sourcing implications
- Define trends or movement toward different technology

Sample: Spiral #XX
Step 2: Market Assessment
Technical Market Analysis

Commodity Categories and Trends



Spend by Technology Subcategory



- Categories
  - Mechanical
  - Hydraulics
  - Electrical
  - Pneumatics
- Trends
  - Retirement of F-4 and C-141 Weapon Systems is reducing requirements for hydraulics, which is the oldest technology.
  - Modification upgrades will increase amount of digital technology (electrical), but funding is hard to program (at least five years out)

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SAMPLE: Spiral #XX
Step 2: Market Assessment
Supply Market Analysis

- Define the breadth of the capable supplier base (supplier concentrations)
- Define the desired capabilities for the supply base
- Define the assessed capabilities of supply base

SAMPLE: Spiral #XX
Step 2: Market Assessment
An Industry Summary

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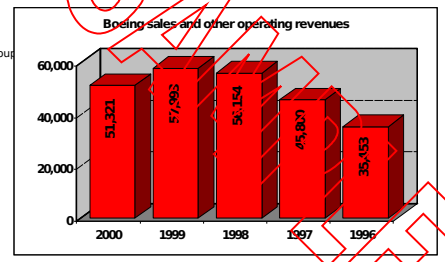
SAMPLE: Spiral #XX
Step 2: Market Assessment
Supply Market Analysis

- **Key Statistics**

CY 2000 Annual Report Financial Highlights
- **Revenue: $51,321 million**
- **Profit/ Loss: $2,128 million**
- **Contractual Backlog: $120,600 million**
- **Research & Development: $1,441 million**
- **Earnings Per Share: $2.44**
- **Employees: 198,000 ('00)**

Headquarters Location
- 7755 E. Marginal Way
Seattle, WA 98108
- Phone: (206) 655-2121
Fax: (206) 655-3987

Officers
- **Philip Condit**, Chairman and CEO
- **Harry Stonecipher**, Pres, COO
- **Michael Sears**, Sr. VP, CFO
- **Doug Bain**, Sr. VP of Law and Contracts, Gen. Counsel
- **Alan Mulally**, Sr. VP of the Company and Pres of Boeing Commercial Airplanes Group



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- **Organizational Structure**

Boeing is divided into four major divisions counting the Headquarters element. Corporate philosophy surrounding this structure is that diversification of the company surrounding its products will allow for overall company health while one or two of their division markets is slow. Boeing's major divisions include:

Headquarters
Commercial Airplanes
Military Aircraft and Missiles
Space and Communications

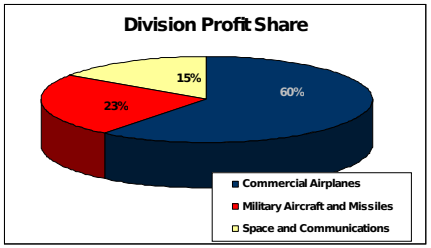
CY 2000 Division Breakdown and Financial Results

Commercial Airplanes: $31,171

Military Aircraft and Missiles: $12,197

Space and Communications: $8,039

Customer and Commercial Financing/ Other: $758



• Business Summary

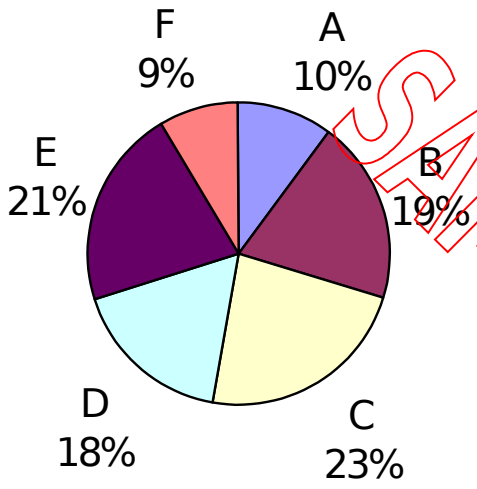
The Boeing Company is the world's largest aerospace firm as measured by total revenues. The holder of 5,076 patents, Boeing is the world's largest manufacturer of commercial jetliners and military aircraft and provides related services worldwide. Boeing is also NASA's largest contractor. The company's capabilities and related services include helicopters, electronic and defense systems, missiles, rocket engines, launch systems, and advanced information and communication systems. At last count, Boeing employed 195,000 people, along with approximately 28,000 suppliers worldwide, in 145 countries.

• Financial Summary

Boeing develops and produces jet transports, military aircraft and space and missile systems. For the fiscal year ended 12/00, sales fell 12% to $51.32 billion. Net income fell 8% to $2.13 billion. Revenues reflect a strike by the Society of Professional Engineering Employees in Aerospace. Lower earnings were partially offset by reduced spending due to a strike.

SAMPLE: Spiral #XX
Step 2: Market Assessment
Supply Market Analysis

New Buy Market Share %



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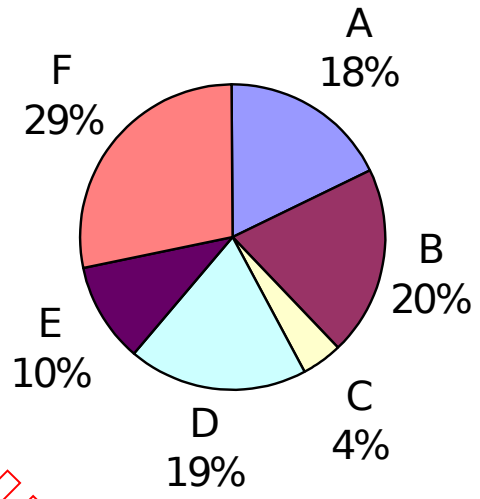
New Buy Instrumentation Market		
Company	Units (000's)	Revenues (000,000s)
A	34,013	$ 45.07
B	64,810	$ 85.87
C	76,208	$ 100.98
D	58,394	$ 77.37
E	71,118	$ 94.23
F	28,394	$ 37.62
Total World Market	332,937	$ 441.14

Contract Repair Market Share (% $)



Contract Repair Instrumentation Market		
Company	Units (000's)	Revenues (000,000s)
A	29,420	$ 21.55
B	32,030	$ 23.46
C	7,123	$ 5.22
D	31,030	$ 22.73
E	17,028	$ 12.47
F	46,020	$ 33.71
Total World Market	162,651	$ 119.14

All suppliers are OEMs as well as providers of repair services.

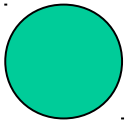
SAMPLE: Spiral #XX
Step 2: Market Assessment
Supply Market Analysis

Category	Your Present Supplier A	Supplier B	Supplier C	Supplier D
Product Offering				
Price Discriminators				
Marketing Channels				
Distribution				
Support Services				
Technology				
Image				
Financial Health				
Total Score				

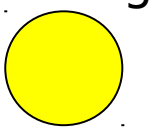
SAMPLE ONLY

Ratings

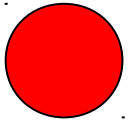
Best



Average

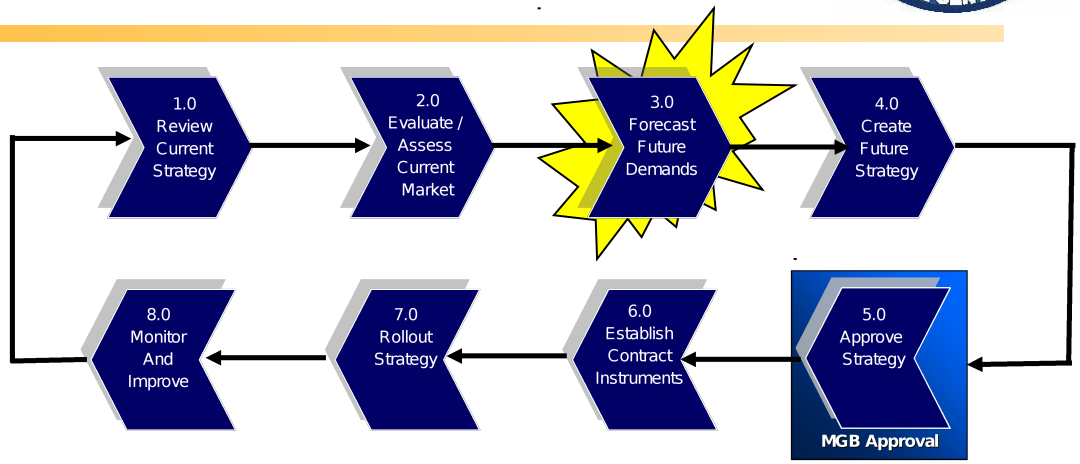


Low



Spiral #XX
Step 3: Demand Forecast

- D-200 Forecast for Spiral NSNs
- Budget / Funding Issues
- Trend Analysis



Spiral #XX
Step 3: Demand Forecast Summary - Instructions

D200 Forecast for Spiral NIINs

- Include your key takeaways from detailed slides from the D200 Forecast section that follows

Budget / Funding

- Include your key takeaways from detailed slides from the Budget / Funding section that follows

Trend Analysis

- Include your key takeaways from detailed slides from the Trend Analysis section that follows

This page should be used as a key takeaway slide for all of the information that follows. Be brief – capture only main themes related to the **FORECAST** for this spiral. See next slide for example.

Sample: Spiral #XX
Step 3: Demand Forecast Summary

D200 Forecast For Spiral 1 XXXX

- 3Yr Forecast for XXXX spiral is $674
- FY04 and FY05 total $350M and FY06 totals $324M
- 56% of NIINs, 60% of Forecasted NIINs are Sole Source.

Budget / Funding Issues

- Year three forecast is almost twice total forecast for either FY04 or FY05, ability to improve metrics may be dependent on full funding

Trend Analysis

- Forecast shows consolidation in NIINs required. Total forecast population of 885 NIINs across three years while FY04, FY05, and FY06 populations are 625, 560, and 490 NIINs, respectively. **The indication is that forecast is most accurate for used, high demand items.**

SAMPLE ONLY

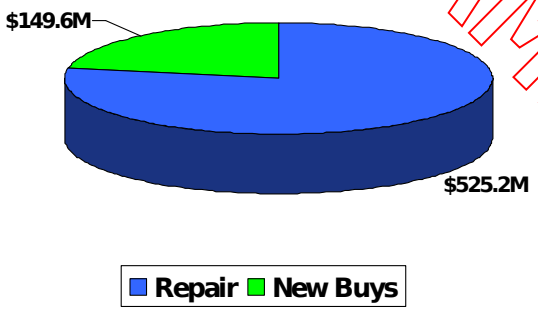
Spiral #XX
Step 3: Demand Forecast
D200 Forecast - Instructions

It is usually best to show NIIN count and $ forecast information with a chart. But which ever method [Graph, Table, Chart, Verbal description] that best shows the overview of the spiral under consideration should be used here.

Sample: Spiral #XX
Demand Forecast: D200 Forecast

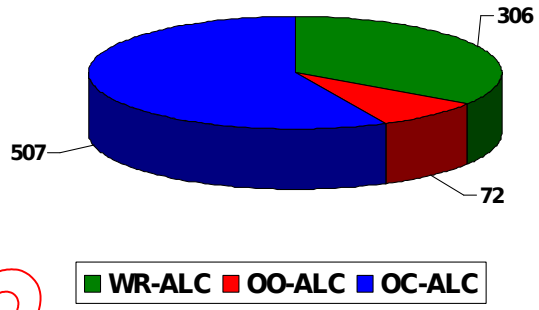
SAMPLE ONLY

Spiral 1 Projected Spend

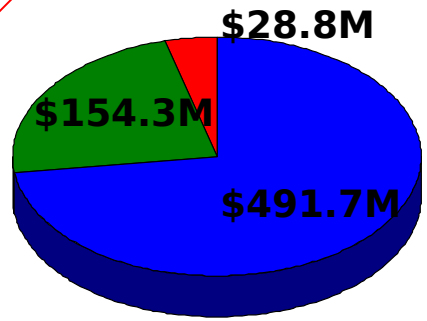


Total 3yr =$674.8M, 885 NIINs

Spiral XXX Projected Spend By Source of Supply: NIIN Count



Spiral XXX Projected Spend By Source of Supply: Dollars



Spiral #XX
Step 3: Demand Forecast
D200 Forecast - Instructions

This slide is important to show how the acquisition activity has been sub-optimized prior to the development of this unified strategy. It also shows which organizations are the major and minor stakeholders.

The slide should include a brief “take-away” statement as is in the example slide.

PROVIDE BASIC SAMPLE TYPES

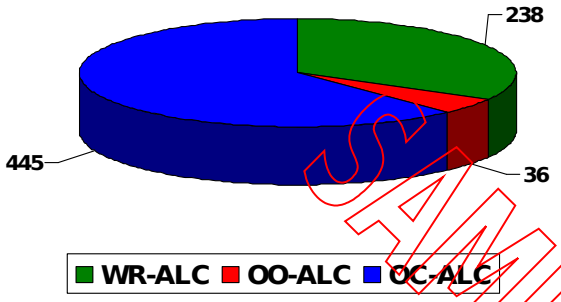
Sample: Spiral #XX
Demand Forecast –D200 Forecast:
Instructions

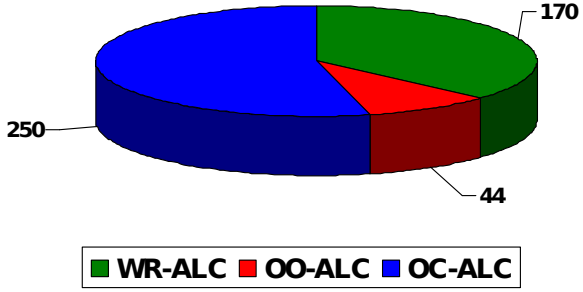
OC-ALC			OO-ALC			WR-ALC		
Org	NIINs	$ (m)	Org	NIINs	$ (m)	Org	NIINs	$ (m)
LC	120	$202.30	LC	48	$10.40	LA	311	$ 108.25
LG	23	$226.50	LG	33	$18.40	LB	150	$ 3.27
LH	25	$13.30	WM	22	$0.02	LF	60	$ 4.77
LP	14	$1.44				LK	20	$ 0.67
PS	6	$48.08				LU	22	$ 29.48
						LY	20	$ 0.62
						YA	11	$ 7.23
OC-Totals	**188**	**$491.62**	**OO-Totals**	**103**	**$28.82**	**WR-Totals**	**594**	**$154.29**

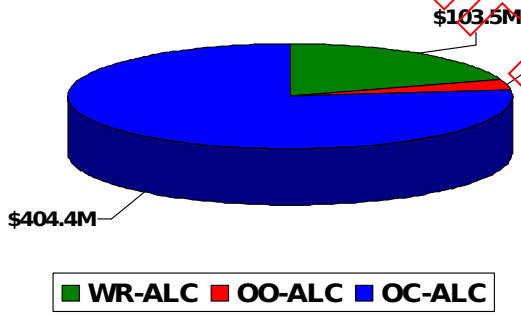
SAMPLE ONLY

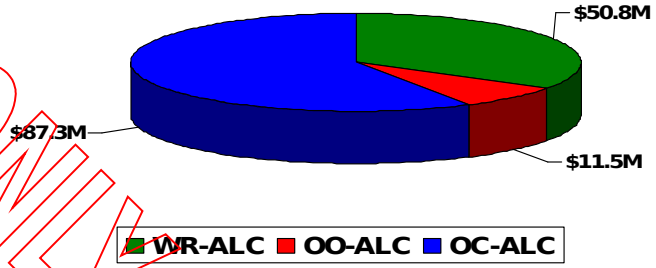
There are 15 buying organizations for this spiral. While WR-LA organization manages the largest number of NIINs, the OC-LG and OC-LC organizations manage the largest percentage of spend in the spiral.

Spiral #XX FORECAST
NSNs and Dollars By SOS









SAMPLE ONLY

Total Forecast Repair =
719 NIINs / $525.2M

Total Forecast New Buy =
464 NIINs / $149.6M

Majority of Spiral XXX NIINs are managed by Tinker

Spiral #XX
Step 3: Demand Forecast
D200 Forecast - Instructions

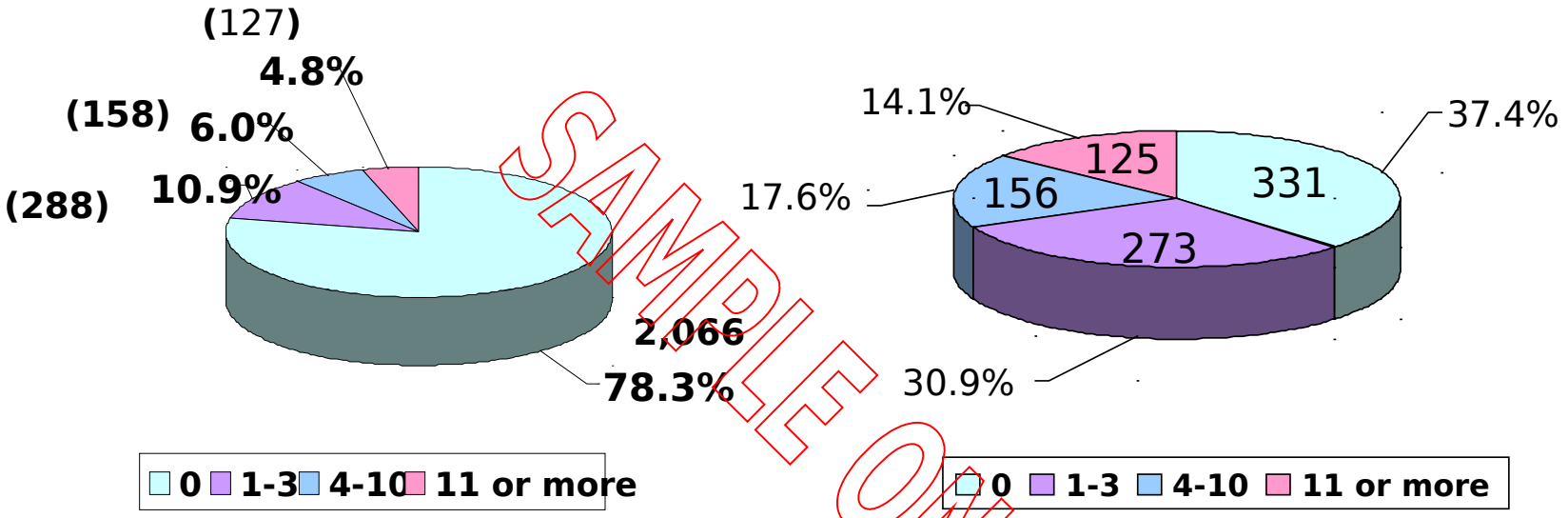
Spiral XXXX NSNs By QUARTERLY DEMAND RATE (QDR) (Instructions)

This slide will be more important for some commodity groups than in others. The slide should detail some aspect of QDR as it relates to forecast and other considerations with the procurement of the Spiral NIINs

The example shows a commodity group where the QDR is so low that proper forecasting under the existing acquisition model has prevented useful strategic acquisition planning. This created an unusually high administrative lead time (ALT) for these items when the requirements surfaced.

Knowing this, can enable the commodity council to form a strategy to prevent this from happening.

Sample: Spiral #XX
Step 3: Demand Forecast
D200 Forecast



SAMPLE ONLY

Total AFMC NSNs = 2,639

Total NSNs = 885

QDR for most AFMC NIINs is “0”, less than a third of forecasted NIINs have a QDR >4

Spiral #XX
Step 3: Demand Forecast
D200 Forecast- **Instructions**

- Provide graphic of detailing technological aspect of Spiral **IF** the Spiral includes multiple technologies or sub-groups of items that are going to be pursued separately.
- Detail technology/ sub-group, NIIN Count, and $ Value in a single slide

KEY TAKEAWAY

Spiral #XX
Step 3: Demand Forecast
D200 Forecast- Instructions

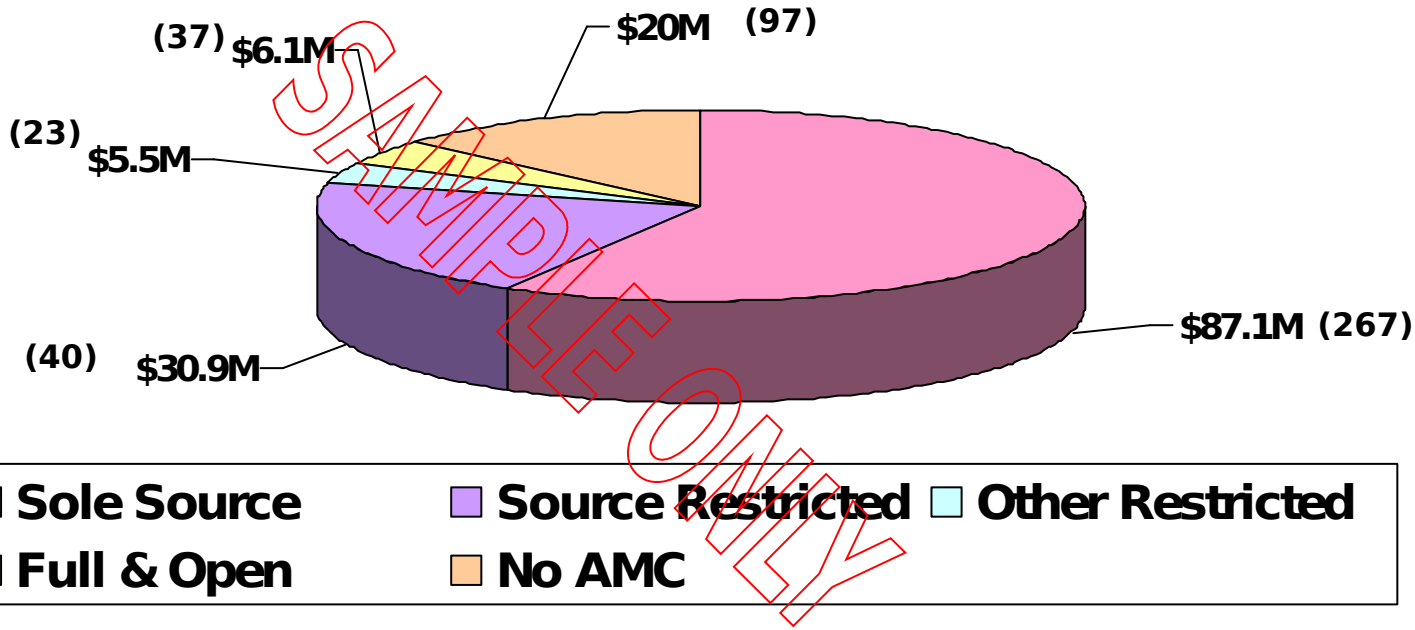
Competitive Nature / AMC Coding

Provide graphic of detailing the competitive nature of the spiral under consideration. The council should use this information in forming several possible strategies. Some examples might be:

- **The high number of non-competitive items in the example could drive a strategy of leveraging common suppliers within AFMC across other commodity groups.**
- **Steps could be taken to acquire complete data packages on high value non-competitive items to increase competition in accordance with CICA.**
- **Steps could be taken to perform 761 reviews on items with no AMC codes.**

Sample: Spiral #XX
Step 3: Demand Forecast
D200 Forecast- Instructions

Competitive Nature / AMC Coding



SAMPLE ONLY

Majority of $ and NIINs are Sole Source Coded

- AFMC Spend by Acquisition Method Code
- 3,4,or 5 AMC code = Sole Source
- 1 or 2, (b) or (c) = Source Restricted, any other alpha is Other Restricted
- 1 or 2 (g) = Full & Open

Spiral #XX:
Step 3: Demand Forecast
Budget / Funding - **Instructions**

This section should include discussion, data, and/or graphic illustration of the impact of fiscal budgeting or funding might have on the procurement of the items in the Spiral.

Placeholder: Spiral #XX
Step 3: Demand Forecast
Budget / Funding:

- Insert your Budget/Funding slide(s) here. An example might include:
  - Graphical representation of yearly requirements versus yearly funding for items in the Spiral

Spiral #XX:
Step 3: Demand Forecast
Trend Analysis - **Instructions**

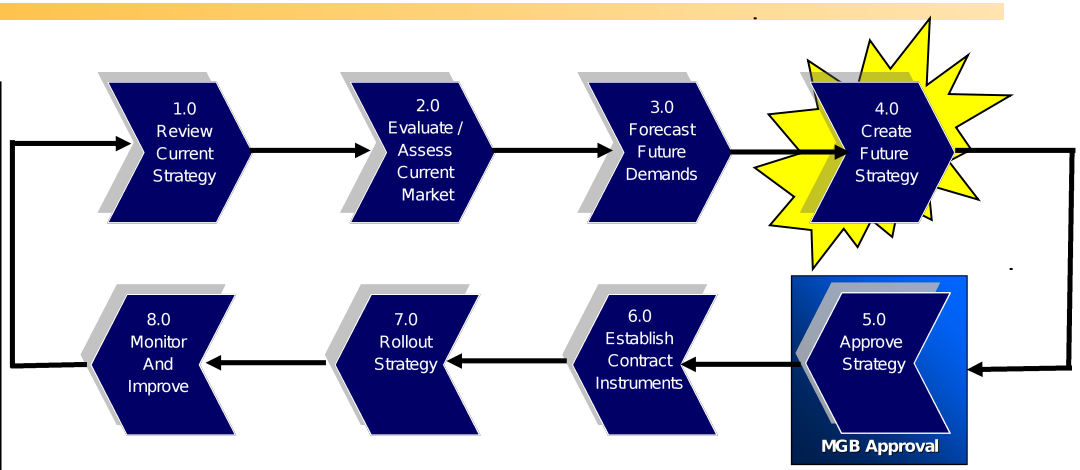
This section should include pertinent information related to trends discovered during research of items comprising the Spiral.

Placeholder: Spiral #XX: Step 3: Demand Forecast Trend Analysis

- Insert your Trend Analysis slide(s) here. Examples might include:
  - Trends of increasing or decreasing spend (historical or forecast) for items in the Spiral.
  - A trend that illustrates consistent demand which would provide justification for longer term efforts
  - Trends of increasing or decreasing sourcing from businesses of a certain business type.

Spiral #XX
Step 4: Create Future Strategy Overview

- Case for Change
- Acquisition Strategies
- Risk Assessment
- Recommended Strategy
- Summary of What's Different
- Best Practices
- Recommended Performance Measures
- Execution Plan
- Next Steps



Spiral #XX
Step 4: Create Future Strategy
Case for Change - **Instructions**

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
Best Practices
Recommended Performance Measures
Execution Plan
Next Steps

Define the need for this procurement action:

- Address major reason for change here and what is driving procurement action.

SAMPLE

- Establish improvements to achieve based on Customers input
  - Current situation is only 50% supportable
  - Need to procure more items with existing funding limitations
  - Need to develop alternative source of supply
  - Establish framework to meet Enterprise Goals and Supplier scorecard
- *What not to say:*
  - *Add all NSNs to an existing Corporate contract*
  - *Because PSCM is the new way of doing business*

Make sure your information is clear and concise

Placeholder: Spiral #XX
Step 4: Create Future Strategy
Case For Change

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
Best Practices
Recommended Performance Measures
Execution Plan
Next Steps

- Insert Your case For Change here

Insert Your Takeaway For This Chart Here

Spiral #XX
Step 4: Create Future Strategy
Acquisition Strategies - Instructions

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
Best Practices
Recommended Performance Measures
Execution Plan
Next Steps

Your strategy should address specific areas such as:

SAMPLE

- *Acquisition Strategy* (Will this be a competitive, or non-competitive Joint Build Procurement, describe the type of projected sourcing, e.g. a J & A will be utilized, Performance Based approach, etc.)
- *Contracting Strategy* (Types of Contract – IDIQ, FFP, etc, how many years, options, incentatives, etc)
- *Material Mgt Strategy* (address ILS elements such as development, updates, Packaging, Handling, Distribution, shipping and any technical parameters)
  - **Life Cycle Management**

See Note Page (below) for Additional Information

Spiral #XX
Step 4: Create Future Strategy
Acquisition Strategies - Instructions

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
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Execution Plan
Next Steps

- Summarize your key Strategy elements such as:

SAMPLE

  - Meeting Small Business Goals
  - Transitioning into a competitive posture
  - Is this a Commercial Off The Shelf item?
  - Is this a FAR Part 12 Acquisition?
  - Are Industry inputs included?
  - Describe any "relationships" Tactical, strategic, buyer/seller
  - Add more elements as needed

Prepare and present multiple strategy options

Placeholder: Spiral #XX
Step 4: Create Future Strategy
Acquisition Strategy

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
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Execution Plan
Next Steps

- Insert Your Acquisition Strategy Options here

Insert Your Takeaway For This Chart Here

Spiral #XX
Step 4: Create Future Strategy
Risk Assessment - Instructions

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
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Next Steps

- Accomplish Risk assessments from several aspects:
  - Technical risks
  - Schedule risks
  - Performance risks
  - Financial risks

SAMPLE

- Misinterpret marketplace for suppliers and technology
- Source is dominated by single vendor
- Overload supplier capacity
- Financially ruin SB supplier due to bidding "Catch-22"
- Increased SB protest/Congressional Inquiries (perceived "bundling")
- Lose AF benefit of vendor's current sales force
- Overhead & time will increase
- Perceived loss of choice by AF users
- Perception of not meeting fringe AF needs

Assessing risks will provide a better understanding toward achieving the requirements

Sample: Spiral #XX
Step 4: Create Future Strategy
Risk Assessment

Risk Area	Impact Areas	Risk Handling & Mitigation	Risk Assessment Current/Objective
Magnitude of changes may derail support concept	Performance	**Leadership Support; Comm Plan w/ Goals/Success; Defined Process**	**Y / G**
Brand name loyalty may undermine decision making	Cost	**Cooperative Buying; Communicate Goals in Comm Pla**	**G / G**
Leveraging may affect SB	Performance	**SB focus area for each strategy**	**Y / Y**
Inadequate spend data to make best strategy decision	Performance	**Purchase through AFWay; Cross-check multi-source data**	**Y / G**
Strategy not executed due to organizational gap	Performance	**Frequent reviews; Involve execu organization in strategy finaliza**	**Y / G**
Sourcing decisions may create monopoly	Performance	**Clear selection criteria; Cooperative Buying**	**G / G**
Mainstream configurations fail to meet user needs	Performance	**Comm Plan; MAJCOM Reps on SS Team;**	**G / G**
Keeping up with market	Technical	**Tech Refresh w/Vendor Support**	**G / G**

SAMPLE ONLY

Placeholder: Spiral #XX
Step 4: Create Future Strategy Risk Assessment

- Insert Your Risk assessment matrix here

Compare your strategies and define risk mitigation

Spiral #XX
Step 4: Create Future Strategy
Recommended Strategy - Instructions

Case for Change
Acquisition Strategies
Risk Assessment
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Next Steps

- **Numerous strategies can resolve or assist in achieving the desired outcome.**
  - An analysis of which strategy recommendation should be used. e.g. The way you reduce or lower costs- negotiate smaller profit, reduce the amount of assets, establish a competitive market, etc.
  - Present multiple options with a preferred recommendation to facilitate a better understanding of the needs and potential means for achieving the goals.
  - Options should provide sufficient detail that describe the alternative, pros / cons, risks, resources, and other contributing factors.
  - Strategy recommendations need to address the entire gamut, Cradle-to-grave support posture.

Provide senior leaders with multiple options

Placeholder: Spiral #XX
Step 4: Create Future Strategy
Recommended Strategy

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
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Next Steps

- Insert Your recommended strategy here

Insert additional charts for outcomes of other options

Sample: Spiral #XX
Step 4: Create Future Strategy
Summary of What's Different

Case for Change
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Next Steps

This is your opportunity to highlight strategies by describing current conditions and how the strategies will evolve to maximize potential savings and efficiencies.

Today	Tomorrow	Benefit
NSNs not on strategic contract	Sole source NSNs with spares buy forecast on long term strategic contract Competitive NSNs with spares buy forecast on multiple-award IDIQ type contracts	Price savings ALT reduction
Limited performanc e based contracts	Expanded performance based contracts including direct delivery to point of need, consignment, pay	Efficiency gains

SAMPLE ONLY

Use a similar matrix to document your summary

Placeholder: Spiral #XX
Step 4: Create Future Strategy
Summary of What's Different

- Insert your matrix here

Sample: Spiral #XX
Step 4: Create Future Strategy
Best Practices

Case for Change
Acquisition Strategies
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Execution Plan
Next Steps

- ***Use this opportunity to state what commercial best practices can be applied to influence strategy development***

SAMPLE

- High level SOO and functional specification – Performance Based Requirements approach
- Availability of Commercial products and practices
- Leveraging large quantity procurement buying strategy
- Enterprise contracts to support similar items
- eCommerce, e-Technical data management
- Involve industry in technology planning
- Continuous technical improvements
- Long term source relationship or "best" relationship to develop
- Warranty expectations
- Proven past performance vendors
- Barcode tracking of assets

Identify any other best practices the team came up with

Placeholder: Spiral #XX
Step 4: Create Future Strategy
Best Practices

Case for Change
Acquisition Strategies
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Execution Plan
Next Steps

- Insert Your best Practices here

Here is your opportunity to shine

Spiral #XX
Step 4: Create Future Strategy Recommended Performance Measures - Instructions

Case for Change
Acquisition Strategies
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Next Steps

- Define the KPIs that will be measured to ensure compliance and improvements of the recommended strategies.
  - New KPIs may be needed
  - Baselines need to be established
- Establish a Supplier(s) Scorecard for the commodity council manager (internal), and the Enterprise (external).
- Define how the recommended KPIs will drive or influence the behavior intended.
  - KPIs for the supplier
  - KPIs for tracking improvements

Insert a Succinct Takeaway Comment Here

Placeholder: Spiral #XX
Step 4: Create Future Strategy
Recommended Performance Measures

Case for Change
Acquisition Strategies
Risk Assessment
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Next Steps

- Insert your performance measures here

Insert a Succinct Takeaway Comment Here

Placeholder: Spiral #XX
Step 4: Create Future Strategy Execution Plan

Case for Change
Acquisition Strategies
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Next Steps

Plan – Defines actions to be taken

- Develop a sourcing agreement
- Establish a Supplier Relationship

Schedule

NOTE *See next sheet for an sample*

- Insert a sourcing schedule

E.g. Synopsis

Sign J & A

Draft RFP

Source Selection Date

Contract Award

Plan Your Work, Work Your Plan

Spiral #XX
Step 4: Create Future Strategy
Sourcing Execution Schedule

SAMPLE ONLY

_1. _SSA Delegation Approved	
_2. _RFPSolicitation to Review Authority	
_3. _SSA Approves Source Selection Plan	
_4. _SSETB Formally Convened (Pre-RFPSolicitation Release with SSAC)	
_5. _SSA Pre-RFPSolicitation Release Briefing	
_6. _RFPSolicitation Release	
_7. _Proposals Received	30-45 days after RFPSolicitation Release
_8. _Initial Evaluations Completed	Allow 3 to 5 days per proposal
_9. _Competitive Range Determination	Same date as completion of Event #8
10. _SSETB_ Initial Evaluation/Competitive Range Briefing to SSA (if requested)	Within 1 or 2 days after Event #9 (if offerors are being eliminated)
11. _Release CRs/DrsENs	Within 1 or 2 days after Event #10
12. _Receive responses to CRs/DRsENs	Not more than 10 _days after Event #11
13. _Evaluate CR/DREN Responses	Not more than 2 days per proposal

Placeholder: Spiral #XX
Step 4: Create Future Strategy Execution Plan

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
Best Practices
Recommended Performance Measures
Execution Plan
Next Steps

- Insert your execution plan and schedule he

Plan Your Work, Work Your Plan

CAMP Contents

Overview:
- Purpose of Brief
- Commodity Council Charter & Organization
- Commodity Commodity Council Process

Part I: Overall Commodity Profile
- Commodity Profile
- Commodity Goals
- Commodity Strategic Objectives
- Recommended Spirals
- Interim CAMP Approval & Feedback (Heading Check)

Part II: Spiral #XX, XXXXX Strategy & Plan
- Step 1 - Review Current Strategy
- Step 2 - Evaluate / Assess Current Market
- Step 3 - Forecast Future Demands
- Step 4 - Create Strategy
- Spiral Plan / Performance Measures

Next Steps

Exhibits
- Lessons Learned
- Barriers & Recommendations

Next Steps

Case for Change
Acquisition Strategies
Risk Assessment
Recommended Strategy
Summary of What's Different
Best Practices
Recommended Performance Measures
Execution Plan
Next Steps

- Complete analysis of forecast
  - 1 month
- Finalize key performance indicators
  - 2 weeks
- Finalize analysis for spirals 1 and 2
  - 3 weeks
- Finalize strategy for spiral 3
  - 1 month
- Analyze spiral 4
  - 2 months

Commodity Approval

- Obtain Approval (or Interim Approval) of XXXX Commodity Acquisition Management Plan (CAMP)
- CAMP for each Spiral (commodity evolutionary approach) fulfills all acquisition planning requirements of FAR part 7

Signatures:

_____ _____
Mr. E. Koenig, AFMC/LG Mr. T. Wells. AFMC/PK

_____ _____
Mr. G. Hathenbruck, OO-ALCLG Mr. M. Gill, OO-ALC/PK

_____ _____
Mr. C. McRorie, OC-ALC/LG Col K. Truesdale, OC-ALC/PK

_____ _____
Mr. J. Blair, WR-ALC/LG Mrs. P. Reeves, WR-ALC/PK

CAMP Contents

Overview:
- Purpose of Brief
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- Commodity Commodity Council Process

Part I: Overall Commodity Profile
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Part II: Spiral #X, XXXXX Strategy & Plan
- Step 1 - Review Current Strategy
- Step 2 - Evaluate / Assess Current Market
- Step 3 - Forecast Future Demands
- Step 4 - Create Strategy
- Spiral Plan / Performance Measures

Next Steps

Exhibits
- Lessons Learned
- Barriers & Recommendations

Landing Gear Commodity Council Lessons Learned As of 19 Feb 04

- Assign all required team members and then schedule training
  - A mix of team members with knowledge of the commodity and some that don't works well
- Assign a coach that can spend at least 50 percent of their time with council
- Allow the team, after its assembled and trained, to create their schedule
- The team needs access to multiple systems or other people with access
  - Time and learning factors involved

Landing Gear Commodity Council
Barriers & Impediment
As of 19 Feb 04

- Data Collection
  - Had to access too many systems, EDW was not adequate
  - Impact is high
- Small Business Policies
  - Limits ability to reduce our number of suppliers
  - Limits concept of bundling items for leveraged buying
- DLA Support
  - Majority of landing gear components are consumables managed by DLA
  - DLA adds surcharge to all parts they manage

Landing Gear Commodity Council Barriers & Impediment As of 19 Feb 04

- Competition in Contracting Act
  - Items coded as competitive must be recompeted at the end of each contract life limiting ability to develop long-term relationships
- Supplier access to AF data
  - System firewalls restrict civilian access; if they had it they could help forecast and be proactive with their inventory
- Forecasting system (D200)
  - System uses history to forecast, does not adequately account for increasing condemnation rates
- Determining cost
  - No accurate process to capture the true cost of operations

Landing Gear Commodity Council
Barriers & Impediment
As of 19 Feb 04

- Determining best value
  - Buy strictly on current cost not life cycle cost
- Budget and funding process
  - Budget is annual
    - Limits ability to contract over several years for continuous demand items
  - Budget is limited to D200 forecast
  - Limited on quantity discounts

Landing Gear Commodity Council
Barriers & Impediment
As of 19 Feb 04

- Maintenance Bill of Materials system (G005M)
  - System updates bill of materials of consumables based on usage but does not account for stock outages
- Culture
  - No incentive to improve processes
- Depot procedures and funding
  - Limited ability to forecast and be proactive

CREATE FUTURE STRATEGY: Acquisition Strategy

- **Describe the Enterprise approach to meet the needs**
- **Include a funds chart that clearly defines the funding process, Quarterly, End of year fallout, expected $**
  - **When funding is received**
  - **Payment methodology**
- **Provide a clear understanding of the requirements**
- **Define potential improvements:**
  - **Direct vendor delivery**
  - **Quality improvements**
  - **Enhanced support structure**
  - **Reduces cost by leveraging spend**
- **Define the relationship with 1st and 2nd tier suppliers**
- **Industry inputs determined potential tradeoffs**

CREATE FUTURE STRATEGY: Acquisition Strategy

- List alternatives or other potential avenues to achieve results.
  - One or two options and the preferred recommendation will facilitate a better understanding of the needs and potential means for achieving the goals.
  - Options should provide sufficient detail that describe the alternative, pro's / con's, risks, resources, and other contributing factors.

CREATE FUTURE STRATEGY: Acquisition Strategy

- *Define Source Selection Criteria*
  - Management
    - **Customer Service and technical support of products**
    - **Market viability risk/financial stability**
    - **Production and delivery Capacity to support**
    - **Strength of small business performance and strategy**
    - **Certification with major providers (e.g., ISO9000)**
    - **Integration with similar procurements**
  - Past Performance (CPAR elements/ questionnaires)
  - Technical
    - **Product stability**
    - **Quality of products**
    - **Continuous improvements**
  - Cost (lowest priority, prefer to not evaluate since prices change daily under fierce competition)
  - Best Value
  - Who are the key principles of the Source Selection Team

CREATE FUTURE STRATEGY: Acquisition Strategy Best Practices

- *Use this opportunity to state what commercial best practices can be applied to influence strategy development*

- High level SOO and functional specification – Performance Based Requirements approach
- Availability of Commercial products and practices
- Leveraging large quantity procurement buying strategy
- Enterprise contracts to support similar items
- eCommerce, e-Technical data management
- Involve industry in technology planning
- Continuous technical improvements
- Long term source relationship or “best” relationship to develop
- Warranty expectations
- Proven past performance vendors
- Barcode tracking of assets

CREATE FUTURE STRATEGY: Strategy Risks

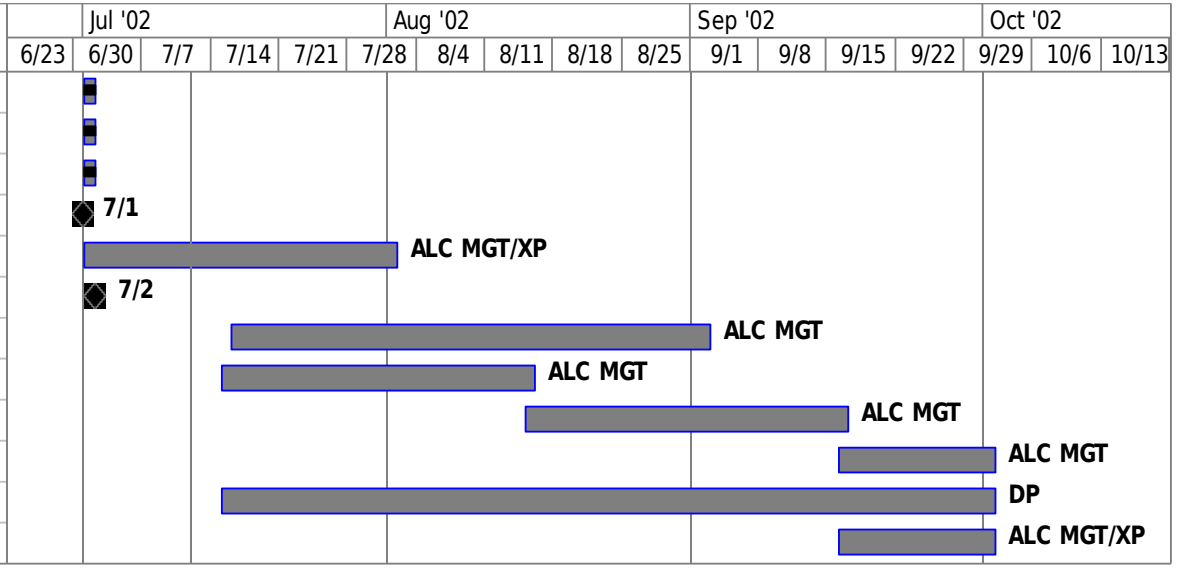
- Accomplish a Risk assessment from several aspects:
  - Technical risks
  - Schedule risks
  - Performance risks
  - Financial risks
- Risks: Examples
  - Buying becomes dominated by single source
  - Misinterpret marketplace for suppliers and technology
  - Overload supplier capacity
  - Financially ruin SB supplier due to bidding “Catch-22”
  - Increased SB protest/Congressional Inquiries (perceived “bundling”)
  - Lose AF benefit of vendor’s current sales force
  - Overhead & time associated with bulking threatens execution
  - Perceived loss of choice by AF users
  - Perception of not meeting fringe AF needs

Detailed Plan

- Proposed schedule for achieving each recommended strategy
- Insert a schedule with a cross reference toward achieving each strategy (use IBM Template)

2.4.1 PSCM Personnel Activities Phase 1

ID	Task Name
1	Identify SMMA Processes
2	ID Show Stoppers, Prob/Iss for 1 Oct
3	Developed Phase 1 Org Structure
4	AFMC/CC Decision
5	Identify Required Physical Moves
6	Union Notification
7	Employee Notification
8	Submit OCR Changes
9	Revise Core Docs
10	Submit SF 52's
11	Complete Other Personnel Actions
12	Physical Moves



Camp Design Expectation

- ☑ CAMP Strategy = Living Documents
  - Overall Strategy (with necessary spirals #)
  - Strategy Execution Plan (s)
    - **Serve as Source Selection Plan (waiver needed)**
  - Linked to detailed content or repository appendices
- ☑ Initial MGB CAMP brief includes:
  - Overall Strategy
  - Plan for spiral # 1
- ☑ CAMP briefing should follow CC process
- CC process WP content will provide CAMP details (template maps to process #)
- CC process and CAMP documentation will be streamlined and continue to evolve into the most efficient model ☑
- ☑ CAMP is self contained document with all necessary source selection criteria info
- CAMP needs to address various PBL characteristics of each strategy (spectrum from performance based requirements to total contract support) ☑
- CAMP will document commodity current strategies, specific problems, issues, baseline performance and outlines specific strategy resolution ☑
- CAMP defines: commodity specific goals (aligned to PSCM Goals and Standards); strategies to achieve goals: KPIs to measure strategy achievement ☑
- Strategies should address end to end supply chain concerns (Material Management Strategies) ☑
- Strategies need to provide alternatives, conclusions and a recommendation ☑
- Strategy recommendation should include risks and value ☑
- CAMP should document lessons learned, barriers and best practices ☑
- CAMP format will be PowerPoint with instructive comments, hyperlinks to appropriate supporting appendices